

MAR 23 1916

DETROIT

THE

THE EXEMPTIONS (p. 222).

SATURDAY REVIEW

OF

POLITICS, LITERATURE, SCIENCE, AND ART.

No. 3,149 Vol. 121.

4 March 1916.

[REGISTERED AS A
NEWSPAPER.] 6d.

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Among the articles in the SATURDAY REVIEW next week will be the third in the series "Sketches From the Front."

NOTES OF THE WEEK.

Germany's hard blows—the hardest heard for many months in the West—are ringing yet upon the firm defences of our martial Ally. We are confident that these blows are more likely to blunt the weapon of the enemy than to inflict any mortal or incurable wound upon the French armies. Vieille Moustache, this week, strikes, we are sure, exactly the right note as to this grand effort of the Germans; and Vieille Moustache, by his sound and level estimates of events in their courses, has won a title to be trusted. There is not the least necessity to be cast down. Verdun is one of Germany's botched battles in its first terrible stage. On the other hand, we must utterly refuse to accept the sanguine tales which are spread of set purpose from neutral sources; and we must read the German reports with suspicion. We do not believe in the killing of 100,000 Germans and the wounding of twice or thrice as many. Here is the vastest rumour which has found its way into print. It seems as false as the German report that the French losses exceed those of the Crown Prince's armies.

This battle has been a daily earthquake of shells and a frenzy of courage on both sides. The French speak of wiping out regiments with their "75's" and of blowing up a whole division with a mine. Yet the Germans came on and on until they stumbled exhausted through the snow to their present battle-line, within gunshot of Verdun town. Our Allies were magnificent in their counter-attacks and masterly in their ordered retreat. Surely it was not wise to publish in England the unverified German report announcing the capture of Douaumont Fort. There is no excuse for this grave mistake, for Allies must look to their Commander-in-Chief for official news on all matters of first-rate importance. It is General Joffre who is playing this hand, so the German bulletin should never be published in England before the French official report.

Last Saturday the Germans reached the foot of Douaumont Plateau, whose big ravine they bombarded for seven hours. Then they lengthened their guns and their infantry began their assault uphill. Did one of their generals tell them to fight without pity because "the French shoot all their prisoners"? Rumour in print says "Yes", but one had hoped the long war had familiarised the German troops with French chivalry. It is said that seven German regiments were thrown into the assault, fresh troops scrambling over the dead, only to fall amid the riddling fire of the French gunners. Earthquake and hell together were jumbled up, for the plateau was being searched foot by foot by German shells, until at last the French General ordered the remnant of his troops to withdraw. This was the enemy's chance, and the Brandenburgers panted up the hill and carried the position.

But the French counter-attack with unfatigued men—a *corps d'élite*—soon began with terrific dash, and the combat between "two bodies of picked troops was a grandiose and impressive spectacle, in spite of the bloody nature of the close fighting". Carried on and on by their valour, they mastered the enemy, but some Brandenburgers retreated to the bomb-proof vaults of the ruined fort on Douaumont height. The Germans have tried again and again to rescue them, but in vain: they are surrounded.

For the rest, some square miles of new territory are now in German hands, but our Allies have broken this attack and have gained in moral confidence after too many months in the trenches. Never have they been surer of victory. From the first day their tenacity in defence has been splendid, and they hope that Falkenhayn, in his second effort, will assault the eastern wall of the Meuse heights. All along the Western front there is but one wish in the Allied armies—that the fighting may go on crescendo. On Thursday British troops recaptured the trenches at the bluff on the Ypres-Comines Canal which were lost on 14 February.

The pursuit in the Caucasus has continued, despite bad weather and deep snow, united to difficulties of

supply. Ashkala has been taken, some thirty miles west of Erzerum, and other progress has been made. Russian news from Persia is also satisfactory. Parties of the enemy have been driven from two important passes on the Teheran-Baghdad road, and driven to Kermanshah, a centre of German mischief. The Russians stormed the town and captured it. Another item of Russian news is the fact that General Kuropatkin has been appointed to the chief command on the northern front in the place of General Plehve.

An auxiliary French transport, the "Provence II.," was sunk on 26 February in the Central Mediterranean. She went down in about fifteen minutes. There were about 1,800 men on board, including the crew, and the number of survivors is now believed to be 870. More than 500 have been landed on the island of Milo, and the rest are at Malta. They were rescued by British and French trawlers and destroyers. No periscope was seen either before or after the ship was struck; no track of a torpedo was noticed; and no column of water was thrown up at the moment of explosion.

The withdrawal of the Serbian, Montenegrin and Albanian troops from Albania has been completed, and the Italian Brigade at Durazzo has also embarked. Durazzo is now occupied by Austrian troops, according to a Vienna official *communiqué*.

Another sea disaster, accompanied by terrible sufferings, preceded the "new" German submarine campaign. We refer to the "Maloja", the largest P. and O. liner, whose loss is a national sorrow. On the morning of 26 February she sank between Folkestone and Dover; it is believed that she struck a mine. The "Maloja" was bound for Bombay, with 456 persons on board, and we regret to say that the missing number 155. Of these 49 were passengers, and 106 were members of the crew. There is no need to retell any of the tales of suffering; it is better to note the bravery shown by everyone. There happily was instant obedience to the example set by Captain Irving and his officers. Survivors mention the cool pluck of the lascar crew, whose behaviour was magnificent.

Germany's submarine career—the old campaign under a new dispensation—was dated to begin under a new description on Wednesday last. We need have no doubt that the German Navy will try to be bad as its word. Its new name for an old offence is merely a concession to American representations, and the offence itself will continue. Hypocrisy, said the wit, may be defined as the homage which vice pays to virtue. Such homage will henceforth be paid by Tirpitz to President Wilson. The publication this week of the Admiralty rules for the self-defence of our merchantmen is a wise step. They show how absolutely our policy has been determined by German brutality. Our ships are kept to the bare need to keep themselves above water.

As we show, in a leading article in the REVIEW this week on the Exemptions and Tribunals, if Sir John Simon's programme for the medically rejected, etc., succeeds, Mr. Asquith as Prime Minister is doomed; for, should the followers of Sir John Simon have their way, so many men, medically rejected and other, will be exempted that the authorities will have to come to the Prime Minister ere long and ask for more men. Now the Prime Minister solemnly pledged himself to the Trades Unions that he will not, under any conditions, apply compulsion to married men, and that he will resign rather than do this. The conclusion is obvious!

It may, then, be tempting to those who disapprove of Mr. Asquith as Prime Minister to egg on the Simon crusade. Our advice to them is not to touch it with the end of a barge pole. Let them touch not, taste not, handle not, this thing. We view the whole of the

Simon crusade with extreme repugnance; and it entirely passes our comprehension how papers which profess affection and loyalty for the Prime Minister can yet back up Sir John Simon. Last week it was the "Daily News" that declared he had laid the country under a great debt of gratitude; whilst this week the "Daily Chronicle" backs him up, only less directly, by means of its Parliamentary correspondent ("Daily Chronicle" 1 March). Next week we suppose it will be the "Manchester Guardian's" turn to blow kisses to Sir John Simon; and the week after the "Westminster Gazette's" turn again. But we say let all Conservatives—and let all sound Liberals—stand stiffly aside from this unpleasant crusade of Sir John Simon. It is the only safe way.

The angry agitations that have sprung up within the last fortnight—and are raging to-day, as the columns of the popular Press show—as between the married attested men and the single exempted men, and as between the married attested and the married unattested, bear out all the SATURDAY REVIEW foretold in this grave and threatening matter a year ago, a year and months ago. Exactly as we anticipated—and over and over again urged the Government to guard against by bringing in a perfectly fair and general obligatory measure—the serviceable men are now beginning to be split into the two jarring camps—those who go and those who refuse to go. In the "Nineteenth Century and After", too, of January 1915 this sure and hateful result of Ministerial shirking was quite clearly foretold. It was again repeated in that great monthly review in June. But all to no effect, for Ministers sealed their ears and shut their minds. Now the thing is starting. But what we hear and read to-day is a mild foretaste of what may come after the war. Many of the married attested men are now openly declaring, in fully-signed and addressed letters to the Press, "Conscript the lot of us—it is the only straight way". How strange that statesmen, professional and trained statesmen, could not foresee this a year or a year and a half ago!

Yet we know it was expected by at least some opponents of the SATURDAY REVIEW; for in March 1915 a very well-known English writer—whom some of his friends consider the best living man of letters—came up to the writer of this note in the Strand, and said: "I agree with all you have written about compulsion—there is going to be a horrible clash by and by, as you say, between the families and friends of those who go and those who stay behind . . . and it will be very bad among the working classes after the war". Yet this came from one whose politics, we are fairly sure, are poles asunder from the SATURDAY REVIEW's. It must not be thought that because we foretold this menacing thing we welcome it. On the contrary, we detest it: and our advice to the married attested men would be to suffer as much as possible in silence—for there is no immediate prospect of "conscripting the lot".

The safest guide in this question of exemptions is Lord Derby. Every sentence in his outright, manly speech in the House of Lords on Thursday rang sound. We advise the married and the unmarried men to follow him. He is incapable of bad faith or meanness; and has equally at heart the honour and interest of the men and the safety of the nation.

The "Morning Post" will not abate its demand for the name of the member of the Cabinet who asked Mr. Percy Alden, M.P., to organise opposition to Compulsion because the National Service group in the Cabinet were pressing the matter. The "Morning Post" is absolutely right to keep this question to the front. Who was the offender? Mr. Alden should be brought to book by the Government if his statement is wrong. Mr. Newman, M.P., in the House this week questioned Mr. Lloyd George on the matter, but the reply was that the Government knew

nothing about it. The thing cannot be allowed to rest there. Mr. Alden's statement, if it is correct, gravely impugns the honour of the Cabinet. He must make good his assertion or withdraw and apologise for it. The stern leading article in the "Morning Post" of 2 March should be read in this connection.

Mr. McKenna seems to be making his speeches according to a theory of compensation. One day he talks of our approaching ruin—a ruin only to be avoided if we follow his advice. Another day he talks of our wonderful financial position, our golden credit and incredible achievements in commerce and industry. Both sides of the shield are no doubt truly presented, but Mr. McKenna is surely a little reckless in his disregard of the effect of one speech on another. His speech on Tuesday to the Associated Chambers of Commerce was pitched out of all relation to his speech of the following day on thrift at the Guildhall. Our essential trade is maintained; our credit is sure; we can win the war, with plenty of financial fight left over for the industrial struggle which is to follow it. These are good words; but there is here, at least, a difference of temperature from that of its road-to-ruin successor, which followed it by less than twenty-four hours.

His speech to the Associated Chambers contained one welcome, but not very clear, passage about our future policy. After pointing to the use made by Germany before the war of all her industrial weapons Mr. McKenna went on to declare that henceforth we shall have to see to it that these weapons shall be blunt in the hands of our enemy. We must never again fall to be dependent upon foreign sources for the supply of master-products. British trade must henceforth have the resources of the State behind it. The Empire must aim at supporting itself and to rely for no essential product upon the German and Austrian producer. We cannot allow German foreign trade to enjoy its old free field. When the German industries are mobilised for the recovery of old and the seizure of new conquests, the British Government must be prepared and ready to lend every possible support to our own imperial traders and put every possible obstacle in the way of the enemy. It is thus we read Mr. McKenna's words, but we await a stricter definition.

Lord Kitchener, at the Guildhall on Wednesday, put the case for thrift nobly from the soldier's point of view: "Let those who are making large profits and receiving large wages, and are therefore tempted to extravagance, remind themselves that such profits and such wages are only made possible by the sacrifices of our Navy and Army". That is where we touch the centre of this whole question. It puts the discomfort and hardship of civilian thrift into direct relation with what our soldiers and sailors are enduring in our defence, and makes it seem rather small by comparison. It is not, of course, pleasant to change the habits of a lifetime; but our soldiers and sailors know that the war is not a wholly pleasant affair, and that it cannot be won without real sacrifices.

What the country needs in this matter of thrift is to be really persuaded of its necessity. Words will not persuade. There will always remain the thought that after all a little luxury cannot make much difference in £5,000,000 a day. Mr. McKenna and Mr. Balfour put the matter quite clearly on Wednesday, so far as words can be clear; but the effect of their speeches will be next to nothing. Mr. McKenna asks the public to change its habits; but the public will observe that the Government has not changed; and it will conclude that, where it is not worth the Government's while to save thousands or so in valuing the land or in supporting National Insurance, it cannot matter much about an odd pound here or there spent on things not strictly necessary to life and health. We notice that all the speakers on Wednesday avoided the usual recital of dizzy figures. These figures do not encourage thrift—they so clearly dwarf all per-

sonal expenditure that private saving seems hardly worth while. The figures are better left unsaid.

We hope to deal at large next week with the broader issues raised in the controversy between Lord Parmoor and Mr. J. G. Butcher in the "Times". Meantime it is surely a little doubtful whether British liberty to-day is very seriously threatened by the suspension, here and there, under an Act of Parliament, of Habeas Corpus! Habeas Corpus was once a watchword and a necessary protection. John Smith had narrowly to see to it that he was not suddenly laid by the heels without reason given. John Smith is not in any real danger to-day—unless he happens recently to have been Johann Schmidt and to have come within the purview of the Defence of the Realm Act. The Habeas Corpus affair has been so thoroughly settled that there has ceased to be any real need of it.

There is, on the other hand, a very real need to beware of the wise alien who has carefully made himself into a British subject, so that, under cover of Habeas Corpus and the rest of it, he can carry on useful work in behalf of his German and Austrian friends and associates. It is far more important to get this person safely and quietly to prison than to keep Habeas Corpus entirely unfringed. Habeas Corpus is old enough and firmly rooted enough to survive, despite the incarceration of one or two legal, but not wholly unmistakable, British subjects.

Lord Newton is appointed to take over Lord Robert Cecil's late work at the Foreign Office. Why his knowledge and gifts have been, so far, thrown away no one has been able to discover. He will strengthen the Foreign Office.

That Henry James, as we say elsewhere, was an author not for the crowd of to-day but for the happy few of all English time, is shown by the way in which his death has been received. We have had one or two sincere appreciations of his work, but we have been spared the common flow of anecdote and gossip which normally breaks the quiet of a famous passing. We have noted but one exception. "Germany killed him", says a gossip, who talks familiarly of Lamb House, but fortunately—since it discredits her false view—goes wrong in several details. It would be a bad reward for the candid and generous way in which Henry James identified himself with England in the War if we allowed any morbid legend to get hold of the public like that old legend of Keats killed by the reviewers. Henry James was above all vital and manly. He was in feeble health before the War; but the War did not kill him. It braced him to new work.

Mr. Frederick Evans, whose letter we print to-day, desires a debate on real Socialism. We cannot gratify him at present, for such a debate, however stimulating in peace time, is not calculated to help on with the war. He thinks that real Socialism—not the vile, i.e., cheap, stuff which is palmed off as Socialism on the public by boomed novelists and catchy playwrights—would lead to life, not death. We think otherwise. Socialism, outright and logical, forbids competition and ends evolution. Which would necessarily be the end of man on the earth.

TO OUR READERS.

The restriction in the import of paper and the scarcity that will result may make it necessary for the SATURDAY REVIEW to curtail the surplus copies ordered by the trade to meet the casual demands.

We hope, therefore, that readers of the SATURDAY REVIEW will assist in this economy of paper by giving their newsagent a definite order, or by forwarding a subscription direct to the office, 10 King Street, Covent Garden, London.

Without this precaution some difficulty may be experienced in obtaining the REVIEW.

LEADING ARTICLES.

THE BATTLE OF VERDUN.

NOT happening since 4 August 1914 to have taken seriously for one moment any of the predictions of the two or three champion war experts in print, we are not alarmed or dispirited by the tremendous blow Germany is striking at Verdun and Champagne to-day. On the strength of the predictions of these war experts—for example, that the great “thrust” of the Allies on the West would take place in the early summer of 1915, and that the Allies would, at the latest, be “through” at the Dardanelles in September 1915—there sprang up a very large class of people in this country who with levity misnamed themselves “Optimists”—as if the butting of inconsiderate heads against hard facts constituted optimism! Why the celebrated war experts were taken seriously, and why people flocked not merely to read but to gaze upon them, we could not understand. They always bored us to extinction. They reminded us of that fly-blown joke of the strong-man craze some five-and-twenty years ago at the Alhambra Theatre of Varieties. A person came on the stage with an important look, lifted with a mighty effort two immense-looking weights and hurled them at the audience. They were bladders painted to look like iron weights. But the strong man joke was soon staled: the war expert, on the other hand, had a long and exceedingly successful run. Had it not been for the withdrawal from Suvla, who knows, he might have had as long a run as “Charley’s Aunt”? We hope he has put his money, like Ministers their salaries, into Exchequer Bonds. He deserves his gilt-edged security and five per cent.; and that public which for some reason not simple to understand chose to take him seriously for so long deserves to be less the money which he has relieved it of. Moreover, it has only itself to blame if, now in the twentieth month of the war, it is rather dispirited to find Germany striking very hard blows—Germany which, according to all “optimist” calculations, ought to have been a dead dog six months ago at least. They have both got what they merit. There is a good deal in Emerson’s theory of “Compensations”—do not we all get what we deserve, if we could but recognise it so? For example, the young men who answer their country’s call get what they deserve, and the young men who do not answer it will get what they deserve. Ministers will get what they deserve, and the critics, just and unjust, of Ministers will get what they deserve: though often the compensation takes time to mature. We have to wait and see: or in many a case we have to wait, and the seeing part may be done by those who come after us.

But this theory of Compensations, if Emerson was right—and we often lean to the theory—applies to Germany as to all else. Germany is getting her deserts for working at war with all her might since, and before, 1870. Our champion war experts, and we fear some of our Cabinet Ministers—though not Lord Kitchener—seem to have thought that these deserts would speedily be paid off in full. They imagined a short war and a merry, with Prussia well under if she were not immediately on top: an amazing delusion, for an able and laborious country that concentrates scientifically on its intensive war preparations for half a century will naturally arrange for a second line in case its first line goes wrong. There is nothing more certain in human experience than that.

Germany is getting her deserts for fifty years of intensive preparation, and it will take time yet ere these are paid in full. When certain people in Neutral countries threatened by blockades tell us Germany is near the end of her food strength, eating swallows and sea gulls, we know they tell us falsely—and for a very easily-understood object, by the way! And when war experts at home with quite good intentions work out sums showing that Germany nears the end of her man strength, we know that they are not good at sums. To-day neither of these assertions—the first, we shrewdly suspect, artful, and the second, we are sure, artless enough—is hard fact. Germany has enough food, enough men, enough ammunition, to fight a long war: unless her opponents, themselves intensively concentrating in men, munitions and money, can rain in on her a succession of smashing blows.

That Germany cannot in the end prevail in this struggle we are profoundly convinced. It is clean beyond even her deserts in preparation. And, as we have never supposed within the last nineteen months that she has yet been pressed to anywhere near the breaking point, the blow she is now striking in France does not surprise or alarm us. There is not the least cause to feel either. The position is largely obscure, for obviously none of the official communiqués aims at disclosing the full or anything like the full facts; whilst the unofficial messages could not do so if they would. We have to discard much even of the little that is vouchsafed us. Thus, naturally, we discard the statement supplied us through a Neutral that Germany had, many days ago, left 45,000 dead on the stricken field: and equally we discard the German-made total of French prisoners taken, because we have learnt by experience that these German-made lists of prisoners include their percentage of civilians, among them children, as well as wounded. Also we note the German military device of announcing a success before there has been time to turn it into a failure: the claim about the “fortress” of Douaumont being a capital illustration of this. On the whole it seems clear enough that the Germans, in this huge struggle at Verdun, have captured a considerable amount of ground, and that they have paid a terrible price in men. When Germany judges her crop is ripe she does offer it to the mower with a will. No doubt when the full facts and figures of Verdun are known the massacre of Germans at the Liège forts will shrink into an incident. We can have unstinted faith in France to-day, and had Verdun passed wholly into German hands—or were Verdun to pass wholly into German hands—we should not need to moderate this faith. Every month that has passed since France first suffered the incubus of the invader has gone to strengthen her; for the war has made of the French iron a fine-tempered steel. All is well with France to-day, the most humane of modern nations and martially the most glorious. We shall find the French armies striking back presently a harder blow than they struck at Champagne last year; and this however the battle around Verdun ends. France, France sublimely at Verdun, teaches to us all the true optimism; not the rotten, humbugging thing that passes under that name among those party tricksters who are still striving in Parliament and a section of the Press to restrict the British part at home to compromises and “expedients”; but the faith that fortifies and lifts us to a high resolve and endurance.

MR. McKENNA'S NO RETRENCHMENT POLICY.

THE public has every right to complain bitterly of the way in which it has been treated in the matter of public and private thrift. The Government has scolded the wasters, prophesied our national ruin, and lectured us on the rate of exchange and the excess of our imports. But it has not proceeded on any clear system in dealing with our private extravagance, and it has not itself made a single sacrifice of any moment in the direction of public economy.

Mr. McKenna's Retrenchment Committee, if it was to be of the slightest real use, if it was intended to save more than the cost of a day or so of the war, should have been given power to recommend any measures it considered advisable for the saving of public money. It should have been instructed to consider no party or interest at all, but simply to report upon all items of expenditure, wherever found, which did not appear to be obviously and immediately profitable or necessary. No such instructions were given. On the contrary, the Retrenchment Committee was in all the most likely and possible directions bluntly forbidden to retrench. It was told to avoid "questions of policy already decided by Parliament", which means that it was told not to consider what it itself describes as that "enormous and unprecedented increase of civil expenditure in recent years" which has been "almost entirely due to new grants or new administrative work resulting from legislation or Parliamentary policy". This unfortunate committee was told, as a matter of form, to save money, but it was told, as a matter of fact, not to save it. It was not allowed to say a single word as to the rake's progress in expenditure of the late Government. It might economise, but it must not economise upon things like our recent huge and costly German experiment of National Insurance, or the entirely unprofitable Land Valuation. These were "questions of policy already decided by Parliament", and as such they were outside the scope of the committee. It is small wonder that we hear of minority reports which on second thoughts have been suppressed, and that the whole committee declares, in a comprehensive grumble, that its "inquiry has been very much restricted and its recommendations are necessarily incomplete".

The Government, in fact, in this matter of economy is behaving exactly like those private spendthrifts who readily admit the need to economise but cannot, all the same, bear to be anywhere pinched in a really disagreeable way. We will economise, says Mr. McKenna, but our economies must on no account be inconvenient. If you can find for us some nice little economies which will not be disagreeable for any of us, by all means let us make the most of them. But we cannot consent to be really put out or hurt in this matter of thrift. Accordingly, Mr. McKenna's committee has had to confine itself to docking the museums, pinching a little in the matter of public buildings, paring the Diplomatic Services of a few thousands and looking into the larder of the House of Commons. In short, the Retrenchment Committee has been allowed to save just £3,500,000, or the cost of the war for less than a single day—out of a Civil Service vote of nearly ninety millions.

One would imagine that after this the Government could not for shame go on repeating its wise appeals for a Spartan frugality in the nation at large. The Government, quite plainly, is not yet prepared to make any substantial sacrifices. Even the cheese-parings of the committee are not parings from the Government cheese. The procedure has been to save where there is least likelihood of offending anybody in politics. Upon political things it is not prepared to save at all. Public thrift, by all means, Mr. McKenna preaches again and again, but let it be a thrift which allows us to go on as comfortably as in the days before the war—those happy days when there was no need to look twice at huge sums spent on a National Insurance scheme swarming with nice warm billets for likely young men. Such is the thrift of the Treasury; and its example, the Treasury may be assured, will not be lost upon

private spenders. They will be thrifty, as the Government is thrifty. These people will quite fairly say: We really cannot make an end of our old habits and standards, because that would be really disagreeable (as disagreeable as the cutting down of their Land Valuation would be for the Government): but we will be thrifty in all matters that do not too deeply affect the domestic policy which was wont in peace time to rule our expenditure.

The fear of such an answer, its extreme likelihood in view of the Government's own conduct in the matter of expenditure, has not deterred the Government from repeating its lectures to the public. Cannot Mr. McKenna realise how dangerously near to cant his speech this week at the Guildhall must seem to all those who have so much as glanced at the report of his Retrenchment Committee? The private person, says Mr. McKenna, must make an end of his habits; peace standards are no standards at all for war. This, we believe, is strictly true; and yet we cannot hope that the Guildhall meeting will affect the spending of one private penny. So long as the Government allows no economy to be made which might interfere with the political habits of its predecessor—so long, for example, as it continues to spend £361,000 a year on useless valuation of the land—it cannot reasonably expect anything but smiling from an audience of economists. Every word of Mr. McKenna's exhortation at the Guildhall applies directly to the Government. Land Valuation is no more necessary at this time than any of the things mentioned by Lord Kitchener as useful objects of thrift—no more necessary to the Government than plenty of wool, coal, tea, and coffee are to the ordinary British household. Everyone who has considered this subject at all would wish that every word of Lord Kitchener's appeal might go straight home to the country. But how can this be expected when the country has clearly in its mind the instructions issued by the Government to Mr. McKenna's Retrenchment Committee? So long as the Treasury pursues its policy of no retrenchment in political luxuries, it cannot hope to persuade, nor can it fairly compel, the country generally to look closely into its private pence.

THE PASSING OF COBDENISM.

THE special meeting in London of the Association of Chambers of Commerce, which began on Tuesday and ended its work on Thursday, has proved, in a good many ways, that the British commercial mind has ceased to be a talkative cosmopolitan. It has learnt many things from the war, as Sir Algernon Firth pointed out. Though some of its industries for a long time have been at the mercy of foreigners, it has preferred not to be worried by a perilous situation. Before the war a German economist said: "On the back of Free-Trade England we have tried to grasp the trade of the world"; and when the war came our country had no machinery for the making of many essential things, because no effort had ever been made in England to stimulate their manufacture. Mr. Rupert Beckett reminded the Chambers of Commerce that if peace came this year our great textile industry would still depend for its full development upon dyes made by the enemy. Yet W. H. Perkin—one of our own countrymen—was the first to use aniline in dyeing, and in 1866 the House of Lords annulled the patent for aniline colours owned by Simpson, Maule and Nicholson. Afterwards German chemists conquered the markets and found in British free imports a cosmopolitan protector.

But something more than nationalism in trade is necessary, since the British Empire as a whole should be opposed to any repetition of German dumping and trade domination. The Empire should be as united in her economic aims and efforts as she is for military purposes. So we rejoice that the following resolution was carried:—"This Association desires to place on record, for the guidance of those who follow us in days to come, its firm conviction, based on experience of

war, that the strength and safety of the Empire lie in her ability to produce what she requires from her own soil and factories."

Another resolution, adopted unanimously, asks the Government to take immediate steps to create a Ministry of Commerce and Industry, with a Minister of Cabinet rank, aided by a permanent Advisory Council, to represent the Foreign Office, the Colonial Office, the India Office, the self-governing overseas Dominions, and the Empire's leading commercial interests. Other resolutions urged the Government to consult at once the Governments of the Dominions, in order to find out their views on the various trade problems arising from the war. What is their attitude towards reciprocal trading, and towards the management of trade relations with enemy countries? How would they wish to control those businesses in the Empire which are either owned or ruled by Germans or by Austrians?

Mr. J. G. Jenkins, of the Australasian Chamber of Commerce in London, told the meeting that Australia and New Zealand before the war knew they were buying German goods from British merchants, and that they had no wish to go on with this practice. Another adopted resolution—it was proposed by the London Chamber—went to the heart of this urgent matter, emphasising two essential things: A close commercial union between the different parts of the British Empire and the fostering of trading relations with our Allies. Arrangements are being made for an economic conference with our Allies, and no doubt all essential points will be discussed. We need preferential and reciprocal trading between all parts of the Empire, reciprocal trading between the Empire and the Allied countries, the favourable treatment of neutral countries, and complete mastery over dumping and other evils, so that the pre-war conditions may never again be renewed in Russia, in Italy, and in British home markets.

Countries allied in war, who bear in equal proportion their many sacrifices in a great cause essential to all, should be allies also in trade; and the sooner they make this other alliance quite evident to Austria and Germany the sooner these foes will understand that their fiscal policy is defeated, and that all the wealth invested by German zeal in machinery for over-production will never again draw profits from dumping and from other "peaceful" penetration. As Mr. Hewins has well reminded us this week, the Germans have sold most of their foreign securities, and now they are trying to market their home securities. Let it be made plain to them that these home securities shall never recuperate in value, and that the old conditions have gone for ever. To bring them face to face with these facts will probably do more to end the war than any other civilian policy.

Although every sensible person sees that the Austro-Germans can never again receive from us the cosmopolitan charity of free trade in our markets, there is still a good deal of wavering in official circles. A fortnight ago we discussed the official trifling with the guillotine of prohibition, a very bad compromise. What the nation desires is a general *ad valorem* tariff, with a 50 per cent. preference to the Empire's trade, and with favourable terms for our Allies. The exigencies of war demand such a tariff; partly to relieve the shipping problem in an all-round and equitable manner, partly to influence all classes with a taxation which will bring large sums to the revenue. Some writers advocate a tariff of 10 per cent. on all goods which enter the country, their current market prices to be declared quarterly by a Board. But these are matters of detail. The main point is that the Government should have a free hand to apply tariffs all round without reference to any abstract principles involved in pre-war controversies. Parliament during the war has made fundamental changes in the economic system of the United Kingdom, and a sensible attitude to further and immediate change must be governed by the needs of the war alone. As Mr. Bonar Law has said, "we must begin on a new basis, and put aside all preconceived ideas".

Economists and politicians must consider wisely the urgent conditions of a new age; they have no more

right to hanker after Free Trade than they have to speak in praise of German dumping. Nor have they a right to speak of Tariff Reform, because this policy has grown into a vaster and a greater thing—into a desire for a fiscal alliance with all the component parts of the Empire, united to a reciprocity of trading relations with our Allies and with all tariff-aided neutrals who are willing to bargain reasonably.

In his speech this week Mr. McKenna admitted the impossibility of a return to pre-war ideas and conditions. Yet he told the Associated Chambers of Commerce that many of their resolutions were "controversial", and he was anxious to avoid all questions of controversy. What did he mean? Is Mr. McKenna a friend to prohibition and to other compromises? "Upon the great issue which once divided the nation", says he, "*I believe the opinions of most of us remain unchanged*". But it does not follow, because upon that great issue *we stand where we stood before*—basing our opinions, each according to his own lights, on theoretical principles—that there is not a very large field for common agreement between us. It does not follow, *though trade may be free*, that the help of the Government should not be given to assist our traders. We are prepared—and we have already shown, in a way which I am not yet able to state to you, that we are prepared—to give the assistance of the Government to the development of foreign trade, in order to ensure that those rivals who are now our bitter enemies shall not have the control of foreign trade which they have had in the past."

Who is to understand what this vague statement means? Its wording is not at all fortunate; so we hope the Chambers of Commerce and the public will press for a well-defined and a thorough policy, lest an attempt should be made to toy with the old fetic of Free Imports—another voluntary system in which a year can be lost among half-measures. There is something wrong when a financier says that "the opinions of most of us remain unchanged" upon the wild economic policy which tried to honour Cobdenism by helping Germany and Austria. There is no principle to sanction unfair trade of any sort; and trade is always unfair when dumped imports are untaxed, or when goods manufactured under a system of low wages are admitted free into a country where wages rise higher and higher. It is this injustice that slays many a home industry and turns an enemy nation into a dumper or into a holder of monopolies. When Mr. McKenna suggests that "trade may be free" after the war, he takes the public into a labyrinth. How can trade be free if predatory German methods are to be controlled? How can we arrive at fair trade unless we set a tariff barrier against German goods bought from Holland, Denmark, Sweden and Norway?

THE EXEMPTIONS.

THE No-Conscriptionists are not a very clever class. They appear not to have foreseen whither the group system—which they welcomed with ecstasy—would lead them. In an article called "The Pledge—and the Government's Peril", in the SATURDAY REVIEW of 18 December 1915, we thought we had enlightened them in the matter; but they did not see the point. They thought the group system was going to save their skins. We wonder, now—has it ever vaguely dawned on the No-Conscriptionists what the Exemptions may lead to? They joked a few years ago about the "B. M. G." movement: has it not occurred to the "Daily News", the "Star", Sir John Simon, and the rest of the No-Conscriptionists, that, in pleading for more and more exemptions, one and all, they are engaged—no doubt unconsciously, but not the less effectually for all that—in an A. M. G. movement?

Let us try to explain to them. It is this way. A little while ago, in the delicate negotiations with the Trades Unions over the Military Service Bill, the Prime Minister (who is the victimised A. in the move-

ment in question) pledged himself absolutely never to ask for or support (a) compulsion in the workshops; (b) any extension of the Military Service Bill to married men. He let it clearly be known that he should resign his office if either of these things had to be done.

Now the country and the Government must have their men—otherwise it is *they* who would have to resign! It follows that everybody who desires to keep Mr. Asquith in office must, willy nilly, fight, not for but against exemptions, just and unjust alike. For if "right and left" exemptions continue, the country will presently be short again of men, and then the authorities will have to go to Mr. Asquith and say: "We need more men: please give us another instalment of compulsion—some Benedicks this time, please."

Then the Prime Minister—who cannot go back on his solemn pledge to the Trades Unions—will have to reply, "Very well, you must make your arrangements with my successor"; and there must be forthwith a change in the office of Prime Minister.

In other words, A. M. G.

We do not think there is any escape from this conclusion. It is like what is known as "a forced mate" in the game of chess. But the No-Conscriptionists have not yet perceived this rather obvious thing. The "Daily News" and its stable companions—Mr. Cadbury must forgive this betting and racing metaphor for the sake of Captain Coe and the "Star"—have been crying and rending their garments over the brutality of the Tribunes of the People in not exempting this man with only half an eye and that man who is the only son of his mother, and she a widow. Moreover, Sir John Simon—to whom, according to the "Daily News" last week, the country owes a deep debt of gratitude—is bent on quite a considerable scheme for exempting whole blocks of the medically rejected who have been called up again. Indeed, let our No-Conscriptionists only keep it up long and loud enough. Let them only terrorise the Tribunes, and the trick is done! The authorities will then have to come to the Premier and say: "We want more men, these Tribunes having let off too many, and we must have Military Service Bill (II.) in order to secure them". What can be clearer? A. M. G.

"But", our No-Conscriptionists will protest, when they perceive these obvious facts, "what are we to do? It is true we hate utterly the notion of A. M. G., but we also hate utterly the injustice of enlisting men with half an eye and widows' only sons. We hate, with our dear St. Simon, the idea of re-calling the lately medically rejected and making them work for the country if they are not fit to shoot for the country."

We recognise the difficulty of the No-Conscriptionists' position. We perceive they are dangling over the horns of a dilemma, and that they must presently be impaled on the sharp tip of one or the other of those horns. But they have brought it on themselves. They will have to run upon their own sword—and the only consolation that can be offered to the No-Conscriptionists is that the sword in question will not be a real sword on the battlefield. It will not hurt their bodies, though it will make their heads look rather foolish. They will suffer only moral and intellectual casualties.

We shall not affect to advise the No-Conscriptionists which course to take as regards the Tribunes: whether to play false to the Prime Minister by insisting on more and yet more just and reasonable exemptions, or whether to play false to their consciences and to St. Simon by stiffening unjustly and brutally against further exemptions. They must gang their ain gait. Indeed, even for "Conscriptionists" the problem is not at all a pleasant one; for, owing to the blind stupidity of the last Government, no attempt was made a year ago to provide a scientific and well-considered plan of exemptions against the inevitable Compulsory Act which they swore should never come! Lord Selborne must be at once amused and sorrowful to-day to recall his requests to the Government about

this time last year, and the Government's replies to him. Will the Government provide a scheme, well beforehand, which will deal with these questions of exemption, etc.? he asked in effect; and the Government replied: "No, we won't: there's no need to do so."

We, too, were often assured in those days that there was not the least need to think out any scheme of compulsion beforehand. Think out nothing: prepare for nothing. It argued gloomy pessimism to do so, said some. It was taking a leaf from the wicked Prussian book—the book of preparation—said others. Sufficient unto the day the compulsory evil thereof was the last Government's view. In one amusing instance the SATURDAY REVIEW was told—"Leave it to Lloyd George. He knows. And if Compulsion has to be resorted to, why, he will settle all these details easily enough. Don't say anything to break the National Unity."

The result of all that ghastly procrastination and ineptitude is, of course, the muddle to-day over the Tribunals. We quite agree that there are to-day many hard and unfortunate cases, some of which the "Daily News" and Sir John Simon, and the other No-Conscriptionists are weeping over. We are by no means against scientifically ordered exemptions from military service. Far from it: indeed, in a country like this, they are essential. *Exemptions scientifically thought out and ordered are in no wise contrary to the principle and objects of obligatory military service*, and we need—and indeed should—not have the slightest hesitation in officially claiming them in certain right and reasonable cases. Education has to be conserved. Trade, for example, has to be sustained—and trade was hit hard by the haphazard methods that have been rife in this country, thanks to the senseless clamour of the No-Conscriptionists and to the cowardice of the last Government. Let us have honourably and officially stamped exemptions by all means; and let them be based on a fair and general system of national service, and let them be scientifically thought out and arranged beforehand. It is because this has not been done that the muddle and absurdities of the Tribunals humiliate the country to-day. But we tell the No-Conscriptionists if they continue to fight the Tribunals, and fight them effectually, they will lose the Prime Minister; and his successor will not be chosen by their side. The country will ask the Simons, Spenders, Arnold Bennetts, Outhwaites, Ponsonbys, Ramsay MacDonalds, Norman Angels, Morels, J. H. Thomases, Shaws, H. G. Wellses, Andersons, and Snowdens—they are all tarred with the same brush, though they belong to slightly varying groups—to stand aside. This is the class that, in practice, is up against the British Army and the British Navy; for it worked for more than a year against compulsory service and, largely, against the Military Service Bill of the Government, though there was pressing need for more men to relieve the men in the trenches, and to strengthen our gallant forces against the enemy. To reach complete National Unity it is not necessary to cuddle and cave in to these groups of half-fighters and No-Conscriptionists: it is necessary, on the contrary, to expose them relentlessly. Until we have completed the rout of these half-fighters, which the Military Service Act began, full support will not be given to the Army and Navy and to the cause of the country and of the Allies; and the Empire will not be secured. To-day the vast mass of the people and the politicians, and the Army and Navy solidly, are out of all sympathy with these half-fighters and pacific militants. Therefore, we ought to have no truck with them, and never think of meeting them halfway. If we do we shall only meet trouble, and we shall only be inviting them to become a powerful influence in the settlement after the war.

THE GALLANT SERBIANS AT CORFU.

A VERY encouraging fact in this war is the invincible escape hitherto of Entente armies from positions that seemed to threaten them with capture or

with destruction. Again and again the German strategists have believed that they had it in their power to surround a vast number of troops, and in every case their trap has failed. There has been no Sedan, not even on a minor scale, though a great many men have been taken prisoners in small batches by all the belligerents. Several writers have tried to explain why Germany failed to bring off a great capture during her advance to the Marne, during the Russian retreat, and after the ravaging of Serbia. But it seems enough to say that military failures come usually from some weakness in the governing brain. Perhaps the iron routine of German method is too intricate and too cumbersome to be made quickly responsive to the needs of sudden emergencies; it is certainly like a boxer who cannot strike a knock-out blow when a plain opportunity offers itself.

The escape of Serbia's heroic army is nothing less than marvellous. It seemed to be caught as completely as are fish in a trawler's net. Yet its courage and resource found inspiration in a plight that seemed hopeless, and we can assure our readers that to-day no fewer than 160,000 of its intrepid men are in Corfu, no doubt weakened by their privations, but eager to be reorganised into the old tried Serbian Army. It is not overmuch to say that Serbia is now at Corfu waiting to regain her ancestral home in the Balkans. Is it not heartening to know that she will soon return to the field of honour with an Expeditionary Force equal—at least!—to that with which England entered the war? And what effect will this circumstance have on Greece and Roumania? Sentiment is often more potent in statesmanship than any other factor, and sentiment of the highest appeal comes from these hard-bitten Serbian troops, with their adventures and their magnificent tenacity.

The indomitable old King of Serbia, like his son and his Ministers, knew what the troops had to encounter when they began to make their scattered way through hostile tribes in the Albanian mountains. Before long we may hear how they fought and what they suffered; at present we know only two parts of their story—the brave beginning and the happy ending. Great efforts were made to welcome them at the Albanian coast and to keep them supplied until they could be shipped under escort to Corfu. In all this work Italy played the most important part, rallying to the support of an old rival. It was the Italian fleet that escorted the supply ships from Italy to the Albanian coast, and it helped the French to carry the jaded Serbians to Corfu. Both operations were dangerous, owing to the Austrian naval base at Cattaro, but so efficient were the vigilance and the organisation that no mishap occurred. The Serbians were rescued from hunger, and their removal to Corfu was rapid, occupying considerably less time than the estimated number of weeks. Do not let us overlook the work of brave Italy in this war.

For more than a month Admiral Troubridge did excellent work at Medua; and the British Adriatic Mission was very helpful, as in arranging for the distribution of supplies to the camps. This mission has a political chief, Mr. H. H. Lamb, and a military chief, Brigadier-General F. P. S. Taylor. It is gratifying to know that a party of engineers belonging to the Mission were of great use to the Serbians during their march southward along the coast. Much was done to improve the routes, and the passage over many rivers was managed satisfactorily. But the greatest praise of all in this work of succour is given by eye-witnesses to Italy and her sailors.

During their busy holiday at Corfu the Serbians are aided by a French Mission under Général de Mondesir, who has on his staff several noted officers. They have been called "the Anzacs of the Balkans", these Serb mountaineers, but their courage has qualities of its own, and their delight in war is medieval. "Do you know", wrote the late Mrs. Dearmer, "these Serbians can do nothing but fight: their whole talk is of fighting . . . they care for nothing but fighting. As soon as they are well they want to go

out and fight again". And they have got this temper partly from Nature in the mountains, and partly from centuries of tough struggle against oppression. Scarcely a year in their history has been clement; and now they have learnt from dreadful events that Prussianised tyranny, with its boasted "culture" and "civilisation", is the worst evil that their race has met with in battle. Many of the old wars, even in the Balkans, pitted man against man in even and fair fight; and we should like to know what the battle-worthy Serbs have to say about the new methods, which employ tons of money in bombardments, yet achieve at much greater cost to life and limb not a whit more than swords alone could do. Modern "progress" has de-humanised war, turning it into a science of mechanical slaughter. What great commander of the past would wish to take part in this new barbarism? Would Cæsar recover from his disgust in less than a year or two? Or would he trounce his Germans, and then take the world back to the more human fighting of his own time?

THE GREAT WAR.

APPRECIATION (No. 83) BY VIEILLE MOUSTACHE.

THE WESTERN THEATRE.

WAR is pre-eminently the province of the calculating mind. The Great General Staff in Berlin have come to realise that, after the suspension of the offensive in the Western theatre of operations for some fifteen months, it is there that a decision must be sought. While attempting much elsewhere in other theatres and fresh spheres with variable success, they find themselves no nearer to their objective than they were at the end of September 1914. The truth has dawned upon them that the centre of gravity of the struggle still lies in the West. As the centre of gravity is always situated where the greatest mass of matter is collected, and as a shock against the centre of gravity of a body always produces the greatest effect, and further, as the most effective blow is struck with the centre of gravity used, so it is also in war. For the past two months along the Western line of over 500 miles German blows have been directed with various amount of energy behind them, seemingly for the purpose of feeling for the spot which would give most promise of a successful penetration of the Allied lines. No one has been deceived thereby. The very nature of the thrusts betrayed their want of true significance and created no real measure of alarm. The narrow fronts of the attacking forces, directed successively upon the sectors of the Allied lines at Ypres, Arras, Souchez, the Somme, Champagne, St. Dié and the Hartzmanweile, of themselves advertised that they were subsidiary efforts, a species of decoy to provoke alarm and endeavour to unhinge the system of disposal of the general reserves that lie behind the Allied fronts at the strategic points. There was nothing that could not be met by local effort, and with the help if necessary of local reserves. Just one weak spot declared itself, one weak link which is always to be found in Allied armies where the forces join. The small success at Frise gained by the Germans on the Somme is one of a quite minor tactical consideration.

The public mind in Germany must have its constant diet of victory. These strokes against the Allied front in the Western theatre, which have lost little in value by exaggeration in the daily War Bulletin published in Berlin, might serve well to hearten a people who are called upon to face a diminished breakfast table. Nor have matters economic, political, and military, run smoothly in the channel that was promised by Germany to her new Allies, the Bulgar and the Turk. These latter, who looked to Germany to shift the centre of gravity of the struggle to the Balkans and Far East and there fight shoulder to shoulder for a special purpose, now see themselves somewhat isolated and neglected. Germany is beginning to realise that she may have overrated the extraordinary advantages

which she imagined would accrue from the ancillary expedition which she has devised beyond the Danube. She has imposed upon her enemies the excessive burdens overseas which they have foolishly accepted, yet the impost itself carried with it a sacrifice and strain which Germany now finds that she could ill afford. Her new Allies look to her for the redemption of many promises. This new Central Power alliance finds itself hedged about with difficulties similar to those already experienced by the Entente. We do not hear of Turk and Bulgar fighting the enemies of Germany and Austro-Hungary that are found north of the Danube. With the inherent weakness of all alliances, we see how each member is obliged to take account of his peculiar interests, and to measure in accordance with those interests the contribution to the common cause. Erzerum must have shaken the foundation of this new Alliance to no small extent. A telling blow to German arms East or West would go far to wreck the whole German-Bulgar-Turk box of tricks. There is all the element of internal combustion in the two countries roped in by German jugglery when once the sparking plugs of rebellion are freed from Teuton control. Germany has not quite succeeded in obtaining the same firm grip over Bulgar and Turk that she has imposed upon her Austro-Hungarian Ally. There is more than a little loose gunpowder about, and two governments might easily find themselves victims of a popular explosion.

The Great General Staff in Berlin, with their calculating mind which seldom wanders into regions unexplored, have recognised that there are risks behind them as well as difficulties before them; but they make or seize opportunity. They see the machinery for war of the Entente Powers not quite yet a *fait accompli*. They witness disjointed efforts overseas which have led to the betrayal of Serbia, the obliteration of Montenegro and the evacuation of Albania, and take courage that much talking will be the order of the day for a period ere a real system of co-ordination of effort will be evolved. It is almost rash to hope (especially with one Power still uncommitted to a war with Germany) that the F.I.R.E. Powers will soak the whole field of war and of diplomacy in one single will for the conduct of one single war, as do the Central Powers of Europe. The Great General Staff in Berlin have decided apparently to anticipate the day when co-ordination of purpose shall be a reality in the War Council of the Entente Powers. An opportunity presents itself which two months hence may be denied to them, and the word has gone forth to her Army in the West to strike and to strike hard.

The selection by the Great General Staff in Berlin for the point of impact gives food for much reflection. It is as well to look back upon the new defensive system assumed by France on her eastern frontier after the campaign of 1870 had robbed her of the two rich provinces beyond the Moselle river. With Metz and Strasbourg gone, the eastern gate to France had to be closed to an enemy by fresh methods. These two portcullises, by their surrender, themselves demanded posts of defence to ward off a hostile exit therefrom. The new plan of protection for Eastern France designed a defensive line on the Meuse, guarded at its N.E. extremity by the fortress of Verdun, thence running S.E. along the same river, with successive works at St. Mihiel and Commercy, all three watching Metz. The line was then prolonged to Toul and Epinal on the Moselle, while Belfort set a seal upon the narrow gap that intervened between that fort and neutral Switzerland. That the course of this defensive line was well chosen is proved that nowhere has it yet in this contest been penetrated or yielded an inch to hostile efforts. This wall that barred the frontier of France on the east was stronger than a mountain range. Flanked as this barrier was by the neutral territories of Luxembourg and Belgium on the north, and by Switzerland on the south, France might well consider herself secure from an aggressive neighbour on the east. The scheme for the defence of Eastern France could,

however, ill afford to base security upon articles of faith, and defensive girdles were projected to watch the exits from the three neutral territories on her borders. These minor strongholds, for internal political reasons, were never permitted fully to mature, and "the scrap of paper" strategy that Germany devised enabled her to burst with full force upon an undefended frontier in the north-east of France.

The fortunes of war in the months of August and September 1914 carried the German arms, as we know, to the banks of the Marne and, with a subsequent recoil, back to the Aisne and to the forest of Argonne. The retrograde movement left the north-east gate to France at Verdun projected as a salient towards the hostile lines, and salients in war invariably invite attention.

It would be indeed rash to prophesy what strategical idea governs the purport of this terrific effort for the capture of the stronghold of Verdun. Fortress it no longer is, for Liège gave to the world the signal for the dismemberment of all such shell traps. The strategical enigma gains in difficulty of solution by the tactical procedure that is being followed by the enemy. Why, we may ask, is the attack upon the stronghold directed from the north with such persistence being delivered on the right bank of the river only, and not upon both banks simultaneously? The carnage from enfilade fire that would be launched from the west bank upon the assaulting lines at Samogneux and Beaumont must have been appalling. It would be repeated with intensity as the hostile lines advanced to the peninsula formed by the bend of the river at Champneuville. We can realise why success was more pronounced at the more easterly objective of the enemy at what was once a fort at Douaumont beyond the effective range of the "75's" posted on the westward bank of the river Meuse. That this great throw for victory made by the Germans at Verdun was designed to be the prelude to a supreme effort is evidenced by the previous husbanding of the corps and divisions that were selected for the task. We read of the preliminary rehearsal of the tragedy on a stage well to the rear, where all the elements of attack so dear to the German spirit of the offensive were enacted with that mechanical precision well known in her superbly disciplined army. What a sight for the gods to witness, as it has been my fortune, these weighty columns in their hundreds of thousands moving wave after wave in overpowering mass to the bourne to which they are committed, drilled to scorn fire from front or flanks, driven towards the objective by the inspiring echoes of martial music from behind. "C'est magnifique mais—". When we come to read of an equal or greater hostile effort being made to the west of Verdun from the region of the Argonne, or even farther to the west, then the strategic purport of this latest move becomes more clear. If a *point d'appui* can be thereby secured, a veritable holdfast, a gap can be enlarged through which an avalanche of armies may pour. The course of the oncoming rolling mass may be diverted to the right, westward, or to the left. From Verdun the channels of communication leading to the frontiers of Germany are numerous and secure. What possibilities are dependent upon an "if"! Two stand out prominently. Germany may attempt to roll up the trench line that leads west to Paris—a huge task, fraught with danger. She is far more likely to have in her mind the device which succeeded so well in 1871, and by turning the bulk of her avalanche to the south-east thereby shepherd the armies that lie behind the eastern wall of France into the fold of neutral Switzerland. Only a big dream! But, then, Germany thinks big. A sign of a series of holding attacks to pin the French to their positions upon the Meuse heights on the east or efforts at Blamont, Celles, St. Dié, on the Vosges Hills might lend colour to the dream.

The attempt to storm Verdun may be but the prologue to a coming drama. An immense significance lies behind the success or failure of the venture. We can picture the Kaiser with a message already penned calling upon the armies destined for the main thrust

elsewhere to emulate the brave deeds of his heroes from the Mark of Brandenburg. No leader since the days of the great War Master knows better how to stimulate his soldiery to make herculean efforts for the beloved Fatherland. "L'homme propose, Dieu dispose." Not for the first time does the Great War Staff of Germany find itself a victim of miscalculation. Two factors for success have been omitted from the reckoning—General Février and General Joffre. We have every reason to predict that, though Germany will fight again and fight with might, yet henceforward the battle will be waged by a soldiery unbuoyed by hope.

MIDDLE ARTICLES.

HENRY JAMES.

ONCE there were Three; but now there is One only—such was the instinctive thought of most lovers of literature, wherever English is read, on hearing this week of the death of Henry James. Meredith, James, and Hardy have always ranked in a class apart. They belonged to a greater age of fiction. This will be admitted by anyone who is not bound to the cart tail of one or other of the smart and boomed favourites of to-day. We have had time to reflect upon the work of these three authors, and to be quite sure about them. We know that they will live. They have attained to that "real glory" of which Arnold has written, the glory which is "authenticated by the Amphictyonic Court of final appeal".

The "real glory" of Henry James will depend in years to come, as it has depended during his long career, on the suffrages of the few. He never reached the crowd, and he never will. Time will not make his work more accessible to the general reader. For his genius consists in being difficult, and where most he is difficult he most repays the active reader. He was not one of those great writers who are most simple where they are most profound, whose way, sooner or later, is recognised as Nature's own way, who, in all they say or do, seem to refer their work to an absolute and perfect standard of lucidity, which is the same for all times and all kinds of people. Shakespeare, Bunyan, and Wordsworth had the secret of such a way; and these men are not difficult except by accident or failure. It is not in the nature of their genius to be difficult. They speak of universal things in a universal tongue. But Henry James was not of this order or class. His readers will never be all mankind; they will, on the contrary, be always Jacobites—whether they read his books to-day or a hundred years hence. Henry James, like Browning, Meredith, Carlyle, and so many of the men who inherited the individualist ideals in literature of the nineteenth century, belongs to a type of author whose idiom is not aimed at the absolute standard of those who have made our language what it is. He will never pass into proverb or be full of quotations. On the contrary, his idiom is most significant and striking where most it is his own. He could never be taken for a norm, or even for the founder of a school. His imitators have only served to show how necessarily peculiar to himself his whole method and style have been. Those who take him for a model can imitate nothing except his tricks and prove nothing except that he should never be imitated.

All discussions of the work of Henry James return sooner or later to the difficulty of his style. No one can pretend that "The Wings of a Dove" is easy reading; and those who never will be Jacobites easily grow petulant when they are required to grasp at a gossamer thread of meaning which tickles them but always just eludes their discovery. These readers will tell you that it is the first business of an author to be accessible and clear; that it is a breach of common politeness in a writer to demand of his readers such mental effort as Henry James so frequently requires. They assume that a thing which cannot be simply said is better left unsaid. These readers are right enough from their own point of view. Their contentions

simply show that Henry James is not for them. To the Jacobite their demand that "The Wings of a Dove" or "The Golden Bowl" should offer them a simple and immediate account of itself is grotesque. It is simply a demand that Henry James should be Charles Dickens or somebody equally unlike his true self. For it is of the essence of the work of Henry James, the chief source of our pleasure in him, that he should invite his readers, not to a plain account of something he has thoroughly mastered and can make immediately clear to us all, but to a joint enterprise, an exploring or pioneering excursion, in which the author and his readers propose to inquire, investigate and prospect into certain selected moods, moments or aspects of life which in their very nature are continually changing their quality, temperature and appearance. The method of Henry James has always been to make the reader his partner, to take him into his confidence, and to require his help at every turn. That is the secret of his style—of its frail charm and its enormous difficulty. He does not sternly describe or define a thing; rather he endows the mind of his reader with antennæ whereby to feel out after the thing which both parties are equally interested in locating. He will indicate to the reader roughly at the start the sort of thing he is trying to isolate and describe. Then, in partnership with the reader, he reaches out after the object of his quest with metaphors, phrases and similes which all the time get us successively nearer to the heart of his meaning. The essence of the whole enterprise is that the reader must help. The author is appealing to him at every turn. If the reader will not work with his author in their joint adventure, the result for the idle party will be just nothing at all. Henry James prospects with readers in the direction of a subject whose distance or intricacy makes it insusceptible for the moment of a blunt and categorical predicate. He is like a surveyor getting on to his chart, in accurate terms, the inaccessible clock tower by means of indirect measurements from the ground. Still more is he like the astronomer levelling his equatorial at a point in space. He agrees with us as to the points whence we are taking our observations, and invites us to project our fancy along fixed lines and angles towards a point in the psychological void which is beyond direct reach or measurement.

But, say the objectors, this is not literature; it is trigonometry. Is it worth while—all this trying to say things which, admittedly, cannot be said outright, which are too confused and delicate for plain English, which have to be hinted at and seen through a glass darkly? Is it not better to leave alone all the small and elusive things which cannot be plainly expressed because it is not in their nature to be plain? Is it really worth while to adventure into a psychological world where it is necessary to distinguish a lady who "had a pause" from a lady who simply "paused"?

Well, it depends, of course, upon the reader. Henry James is not an author for the plain man who sees mankind as either the sheep or the goats and everything in life as either black or white. If, on the other hand, you have ever recognised the complexity of some of the simplest personal motives and feelings, or if you have ever been sensible of the intricacy of the several cross-currents and reactions of the most ordinary dinner party or drawing-room, here is your captain and adviser, who, with the help of his sentient, tentative and groping style, will endeavour to take you gradually into the dead centre of the eddy and enable you to feel the pull and push of the current upon every side of you. He does not guarantee that he will get you into the inner citadel of his meaning; but he will take you as far as he can and leave you at least in the suburbs. On the way, moreover, he will definitely show to you a hundred small matters that will repay the effort of your journey—so long as you are his active companion and not merely the sleeping partner of his enterprise. He will catch for you a flickering constellation of ideas which waver and pass even as they are caught in the fine web of his idiom.

Henry James has beautifully and conveniently described his own literary method in a paper upon Robert Browning. All that he says concerning the difficulty of the more arduous passages in Browning applies perfectly to himself:—

"It is as if he (Browning) had simply said, 'I embark at any rate for the Golden Isles'; everything else was of the pure incalculable, the frank voyage of adventure. To what extent the Golden Isles were to be reached is a matter we needn't pretend absolutely to determine; let us feel for ourselves as we will about it—either see our adventurer disembarked bag and baggage in possession, plant his flag on the highest eminence within his circle of sea, or, on the other hand, but watch him approach and beat back a little, tack and turn and stand off, always fairly in sight of land, catching rare glimpses and meeting strange airs, but not quite achieving the final coup that annexes the group. He returns to us under either view all scented and salted with his measure of contact, and that for the moment is enough for us."

Such is the method of Henry James himself. He, too, adventures to the "Golden Isles", and bears us along with him to return "all scented and salted with his measure of contact". Those who have ever adventured with him, loyally encountered all the hardships of the voyage, and consented to sink all their capital of mind and fancy in the enterprise, have no doubt at all that the journey was worth while, and that it could not have been made under a better pilot. Him we must now leave with the "real glory" which his work has won for him and will continue to win after much of our plain English for the plain man of to-day has ceased to be at all intelligible to anybody.

THE KAISER AS STRATEGIST.

By MAJOR-GENERAL SIR ALFRED E. TURNER.

THE fierce attacks of the Germans in huge serried masses on Verdun was a consummation devoutly to be wished—though our glorious Allies could hardly have imagined that, after the early experiences of the war, when the Teuton automatons were hurled in the same formations against the French and British positions, Germany would repeat such performances. The reason is doubtless that the crazy Kaiser—who values the lives of his soldiers as so much dirt—has been present as War Lord, with his egregious heir and the braggart Rupprecht of Bavaria. The presence of the Kaiser cannot but greatly encourage his opponents, for it always spells defeat with enormous losses to the Germans. The Kaiser is no leader of an army. German officers in former days often told me this, and they dreaded the appearance of the All Highest at manoeuvres. I was told that on one occasion he commanded the troops on one side near Metz; the umpire-in-chief was the celebrated General, Field-Marshal Count Haeseler, who had been an officer on the staff of the Red Prince in the war of 1870-71. The Kaiser, as usual, distinguished himself by hurling huge masses of cavalry and infantry against strong unshaken positions, the effect of which in real warfare would have been totally disastrous. At the critique, to which the Kaiser, very pleased with himself, repaired, the tough, independent old Field-Marshal said, after having the reports of the various Generals, as follows: "The manner in which His Majesty commanded his force was splendid as a spectacle, but it was not war. If the Triple Alliance were at war, and their troops were so led, the Germans and Austrians in the first line would all be slain, and it would be left to the Italians in the second line to bury them. The Emperor appears to overlook the fact that there are such things as killed in a battle."

A more stinging rebuke could not have been uttered, and for once in his life the Kaiser held his tongue.

The late General Grierson told me that on one occasion he ventured to ask the All Highest why the German troops advanced to the attack in close formations, which was quite contrary to their theories and rules. The Kaiser replied that it was because they would not go forward against the enemy if extended or in other

ways which more or less removed them from the immediate control of their officers.

The Germans have marvellous collective courage, and will march forward to certain slaughter when shoulder-to-shoulder with their comrades; but, unlike our men and the French, all spirit of independence has been drilled out of them, and they always require the presence of a superior to command them. German officers of the Guard who were present at the battle of Gravelotte have told me that during the attack of the Guard on St. Privat—which cost them the loss of 8,000 men out of 24,000 in twenty minutes—the men—who were extended and who had lain down for the purposes of taking cover—could only be with the greatest difficulty forced to get up and advance. Thus, while the German military authorities preach attack in extended order, in practice they are bound to advance in masses and trust to sheer weight of numbers to capture positions, utterly and callously indifferent to their losses. Here, again, we have an instance of the gospel of ruthless brute force. One wonders how long Germany will suffer these holocausts at the shrine of the sanguinary Moloch who is destroying her manhood with her prosperity.

I know the ground well from Saarbrücken by Metz to Verdun, and east and north of the latter, on which this terrific struggle is going on. By a strange coincidence it was the 3rd German Army Corps—the Brandenburgers—who on 16 August 1870 came up from Gorze in the early morning and, though in small numbers, fastened on the left flank of Bazaine's army, which was retreating from Metz by Vionville and Mars-la-Tour on Verdun. This attack Bazaine, not being a man of prompt action, did not attempt to crush till too late, after the Prussian corps was firmly established and reinforced by some portion of the 10th Corps. This really decided the day, and forced Bazaine back on Metz. The casualties in this battle of Vionville were considered large—16,000 Germans and 17,000 French. Those of the great battle of Gravelotte, fought two days later, were 15,000 French and 20,000 Germans. Contrast these numbers with those of to-day! The Emperor Wilhelm I. and von Moltke husbanded their strength and did not sacrifice it like the mad Moloch of to-day. At the battle of Gravelotte Marshal Steinmetz hurled his 7th and 8th Corps, in close formation, against the French across the ravines of the Mance; they suffered appalling loss, and the next day Steinmetz was removed from his command and sent as Governor to Stettin. Now the Kaiser and his generals are so many Steinmetzs—that is to say, they are utterly ruthless and reckless as to the number of their own soldiers who fall, whether they succeed or not. They use the phalanx formation of two thousand years ago against the terrible precision of modern firearms, they adopt the impi of the Zulus and the wild rush in crowds of the Dervishes.

The Kaiser lives well up to an officer's description of him in the early days of the war—"A maniac in strategy; a butcher in tactics".

ON A DEVON BEACH.

DAY after day, time out of mind,
This bay has known the sun and wind;
The mighty cliffs that guard it round
Have echoed the eternal sound,
The strange commingled plash and roar
And sigh and cry along the shore.

Thus broke, thus ran, thus sighed away
The awesome music round this bay
When Roman keels upon the beach
Grated long syne, and Roman speech
Was echoed down from these high caves
Amidst the echo of the waves.

Long syne? Nay, not unto the sea
Long syne. Long syne for you and me
Who tarry here a little day
And hearken what the sea doth say.

FREDERICK NIVEN.

Combe-Martin.

CORRESPONDENCE.

SCIENCE AND THE HUMANITIES.

To the Editor of the SATURDAY REVIEW.

SIR,—The twenty-first and twenty-second paragraphs of your "Notes" for the week ending February 5 will be meat and drink to many who hold the humanities in equal honour with science as instruments of a liberal education.

It seems a reasonable hypothesis that our Mongolian indifference to natural science, and to all that the application of science signifies, is due not so much to any deadening effect of a classical education upon the young, as to the stupefying influence exercised upon some of our most "progressive" elders by certain economic doctrines—notably those of Adam Smith and those of the latest "sociologists"—which are fondly imagined to rest upon a basis that is rigidly scientific and strictly conformable to the ascertained order of nature.

The tendency of the old classical education was to inculcate a reverent attitude towards the past, a due sense of obligation to the immortals who have moulded and inspired our civilisation, and a salutary awe of the Cosmos. The tendencies of those other doctrines are rather to encourage a state of mind that belittles or ignores the achievements of our more remote predecessors, repudiates or underestimates our infinite debt to the past, and attributes an advancement that is chiefly material and artificial to some supposed natural process of evolution which is carrying the human type towards moral perfection, much as the whole solar system is being carried towards some distant point in the heavens.

To take, first, a few of the assumptions that are used as axioms by certain preachers from the "Wealth of Nations", who rate a classical education no higher than Sir John Falstaff on Shrewsbury field rated honour. Some of these, when detached as texts, exclude not merely the discoveries of science, but great creating Nature herself, from any active share in the attainment of the comforts of modern civilisation.

The assumption, for example, that "the annual labour of every nation is the fund which originally supplies it with all the necessities and conveniences of life which it annually consumes"—"originally" and "all", be it noted—is oblivious not only of the creative and accumulative forces of the Nature that lies over the art that Nature makes, but also of the influences of the experience treasured from the past—all the "done and forgotten work that lies silent under my feet in this world, and escorts and attends me, and supports and keeps me alive, wheresoever I walk and stand, whatsoever I think or do" as Carlyle nobly acknowledged.

Again, the dogma that labour not immediately directed to manufacture is, "like that of menial servants, unproductive of any value" disregards, among other things of price, the pregnant contributions of science to industry. The man of science is not, indeed, specifically named in the list of "unproductive labourers", for the reason, probably, that in the time of Adam Smith (1723-1790) the pursuit of experimental science was not an independent profession; but had it been so, it is pretty certain that the investigator of natural phenomena would have been classed with the "churchmen, lawyers, physicians, men of letters of all kinds, players, buffoons, musicians, opera-singers, opera-dancers, etc.", whose work "perishes in the very instant of its production".

Lastly, the series of speculations that furnish much of the argument of the chapters on the "Division of Labour" leave the achievements of science and their applications to the industrial arts unrecognised, since they attribute the chief part in the specialisation and perfection of technical processes to the propensity of the ordinary workman to invent easy devices and short cuts, and to other ignoble instincts of "the still-dissonant wavering multitude".

To a limited class of economic experts, no doubt, some parts of the work of Adam Smith may have an

interest that is mainly historic; but it is quite certain that to a considerable number of educated and influential people these obsolete dogmas of the philosophy of truck and barter are truths so evident as to need no confirmation.

In the popular speculations of certain easy philosophers of recent times—some of them also very unfriendly to classical literature—who, in the blessed name of evolution, have represented mankind as naturally rising, generation by generation, through higher and higher levels of peaceful civilisation, to some imaginary climax of moral perfection, there may be found another of the fostering causes of the national indifference to exact scientific methods.

One of the evils of this enervating doctrine is to give the modern "social unit" a false opinion of himself and a very dangerous idea of his situation. For, instead of regarding himself as an ordinary specimen of the *genus homo*, differing from his fore-runners chiefly in the habits and customs that have been impressed upon him by his more complete dependence upon a more artificial environment, the delicate balance of which may be upset at any moment by the competition of alien communities, he is encouraged to picture himself as a highly refined cosmopolite, inherently superior in intelligence and taste to anything that has yet appeared under heaven, and quite immune to the slings and arrows of outrageous fortune. If he would read the comedies of Aristophanes, or the "Canterbury Tales", or the plays of Shakespeare, he would there find human nature just as it is to-day; and if then he would go to the British Museum and consider the Elgin Marbles and the adjacent galleries of ancient art, he might probably come to the conclusion that not in intellect, nor in morals, nor even in imagination and skill, can he justly claim any superiority over at least his historic predecessors as they are bodied forth in the work of their hands and in the scenes mirrored in their literature. He might even realise that the superiority of modern man is chiefly a superiority of knowledge, and of all the appliances for harnessing the forces of Nature to his own multifarious material ends that come of that knowledge. Further reflection might lead him to the discovery that most of this knowledge, and of its exact application to civilised needs, and to the increase of wealth and power, is the outcome of the investigation of Nature by scientific methods which has been carried on by comparatively few men, here and there, during the last eight or nine generations, and is not a mere natural secretion of an altogether higher human type. Such reflections, by revealing the limitations of the truck and barter philosophy, and the inconsistency of the ethical evolution theory with available historic evidence, might perhaps have consequences.

By all means let the education of the young be brought into harmony with changed social and economic conditions. Let us have more of the "scientific" ingredient, particularly if it be applied to training in intellectual methods; but let the humanities, and particularly the literature—as inspiring as it is instructive—of ancient Greece, keep an honoured place. And, above all, in educational reforms let Science be true to herself and proceed by the simpler method of inference from ascertained fact, rather than by the other equally scientific but, in dealing with living human material, much more painful and costly method of experiment from unverified hypothesis.

Your obedient servant,

A. ALCOCK.

REPRISALS.

To the Editor of the SATURDAY REVIEW.

SIR,—No reasonable man can object on principle to what are called reprisals for Zeppelin raids or other German atrocities. It is difficult to read with patience letters like those of Sir Edward Clarke and Sir Evelyn Wood to the "Times", the latter of whom accuses,

by implication, our gallant Allies, the French, the most chivalrous people on earth, of "deeds of infamy".

When we are fighting savages it is impossible to conduct a war on the same humane lines as we should if we were fighting a more civilised nation, and if we take steps to protect ourselves against their villainous methods we no more bring ourselves down to their level than I should bring myself down to the level of a burglar whom I shot while he was trying to murder me.

What we want to find is not a justification for reprisals, but means by which we can do the utmost military injury to the Germans. If we succeed in this, reprisals—i.e., punishment of the Huns and protection of our own civil population—will follow as a matter of course. It is admitted on all hands—no matter what Sir Arthur Conan Doyle may say to the contrary—that we have none too many aeroplanes. Surely, then, it is of vital importance that we should use our aircraft in such a way as to do the greatest possible injury to the enemy. How we are to accomplish this is a question that must be left to the military authorities. As to attacks on places of no military value being a protection to our own women and children, I can imagine that they would have a contrary effect. The German General Staff is notoriously reckless of life, whether of its own people or the enemy, and if they see us wasting our energies by dropping bombs on places where no military harm is done, it is quite easy to believe that they would welcome such attacks if they would keep us away from more important work; and so Zeppelin raids, instead of being discouraged, would be encouraged.

Of course, these remarks would not apply to places like Cologne or Coblenz or any other place where there is a bridge across the Rhine. If these bridges and their fortifications could have been destroyed they unquestionably would have been many months ago; but this is not a question of reprisals at all, but solely one of possibilities, and the consideration of these questions must surely, as I have said before, be left in the hands of the military authorities.

I am, faithfully yours,
WILSON NOBLE.

NATIONAL SERVICE FOR WOMEN.

To the Editor of the SATURDAY REVIEW.
65, Friargate, Derby,

20 February 1916.

DEAR SIR,—Without flattery, the SATURDAY REVIEW has a wide outlook and is ready to think over new ideas on their merits.

We have, at last, got men attested and doing National Service.

The women have wanted to help and are doing good work; but there are thousands, hundreds of thousands, of women already enrolled under the National Registration Act who could be spared if they were "mobilised". They are badly wanted as citizens and wives in the Colonies. They should be sent out for five-year spells for any work which needs doing. Their outward fares should be paid. They should be paid for until working. Half their return fare should be put into Government securities. If they marry, which would be best, they should be given this as a "dot". If they come back before five years they should forfeit it. Age for National Service, 18 to 30.

Some of the big women's societies might work out the details.

Yours truly,
HELEN M. GREENE.

SOCIALISM.

To the Editor of the SATURDAY REVIEW.
32, Rosemont Road, Acton, W.,

14 February 1916.

SIR,—In your issue of the 5th inst. Mr. George A. B. Dewar, denouncing what he calls "Sham Socialists", has

this very remarkable sentence: "I believe true Socialism spells death". Now, true Socialism means nothing more or less than the betterment of mankind, however it may come about or be worked for. Why should the betterment of mankind in its social fabric, its social base, "spell death"? It should, of course, spell life, an improved means of life.

Yours faithfully,
FREDERICK H. EVANS.

A POINT OF VIEW.

To the Editor of the SATURDAY REVIEW.

The Reform Club, Pall Mall, S.W.,

23 February 1916.

SIR,—Lady Norah Bentinck's account of her conversation with a typical Prussian general in October 1910 is very interesting, especially the revelation she gives of her own inclinations by her statement that if she were a German she should "long to fight England because it would annoy her so much to see England 'leading the world' [a very debatable pronouncement] and Germany coming only second". Being English, however, she now considers it her duty to hate the Germans with a "righteous uplifting hate", "a jolly good old decent English hate" (apparently because they only do what she herself would do if she were one of them), and opines that "this feeling [of hate] must be burning and living throughout our islands before this war can be brought to a successful and a satisfactory end".

I venture to think that we who have had German friends for years, and have done regular business with them for years, perhaps know quite as much as Lady Norah Bentinck about the motives, likes and dislikes, and general habits of life of the German workers, and that her cocksure assertion that they do not mind the "officialdom" which "reigns supreme" over them is very far from being the truth. That they have been largely misled by their rulers as regards the thoughts, feelings, and intentions of Englishmen towards them is undoubted; and, of course, the battle being in array, they all stand by their flag; but there are many thousands of the intelligent, well-educated manual workers and commercial people who, if they could once establish a free constitution in their land, would rejoice greatly and never relapse into mediævalism again. Why are these people to be hated? They have had nothing to do with atrocities.

Yours faithfully,
W. H. EYRE.

THE BOHEMIAN WAXWING IN ENGLAND.

To the Editor of the SATURDAY REVIEW.

SIR,—A few days ago my daughter "spotted" a Bohemian waxwing perched on one of a little group of saplings. I went with my wife and her next day and saw him again. I got to within 20 ft. of him before he moved, and then he only flew to a may-tree on the other side of the road. I have seen him every morning since on the same may-tree, and this morning there was another bird in the middle of the tree, of somewhat the same colouring, but having no crest. What the books do not tell me is whether the female has a crest, and also where they nest. I know it is very uncommon as a breeder here, but this sticking to one place makes me hope he means business. There is a clump of firs close by and several bushy may-trees. I only have Kearton's, Johns', Atkinson's, and Laishley's books on birds. Other books may tell one more. Can any of your readers enlighten me? I am telling no one the exact locality so far, as I dread boys going after the birds.

Yours, etc.,
M. G.

.. The Bohemian waxwing never nests in this country.

Owing to great pressure on our space we are compelled to hold over many letters till next week.

REVIEWS.

THE SOUL OF THE NATION.

"The Church in Time of War." By the Bishop of London. Wells Gardner. 2s. 6d. net.

"War-time Sermons." By the Dean of Durham. Macmillan. 4s. 6d. net.

[REVIEWED BY BISHOP FRODSHAM.]

IT would be difficult to imagine a greater contrast than that which exists between these two Doctors of the National Church. They are both undoubtedly men of influence in the country. They are both great preachers. They are both lucidly sincere. They are both convinced that the war upon which their country is engaged is morally right. They both make legitimate and useful appeals to the soul of the nation. And yet their methods of appeal—it might be added even the quality of their appeal is as widely separated as the boundaries of the Church of England itself.

The Dean of Durham is intellectual, and his methods are intellectual. He realises to the full that patriotism is always perilous in the Christian pulpit because "Christianity is not a national religion and can never tolerate any national limits to its message". Mr. Philip Gibbs, in his striking book, "The Soul of the War", came to the same conclusion from different premises. Every Christian nation has been, and is, inclined "to claim God as a national asset leading its battalions". This misconception, Mr. Gibbs thinks, must be laid altogether at the door of the Churches, because in the heart of each priest there lurks the patriot. Dean Henson would be far too keen-sighted to allow such a sweeping explanation to pass unchallenged if it should chance to meet his eye. He realises from experience the difficulties of the preacher who "can hardly attempt anything of the nature of a formal argument in a sermon, but must rest content with making an impression and possibly suggesting an idea". He is well aware that the congregation will not help the patriotic preacher to resist his distinctive temptations. The demand in church and out only too often is for vehemence and violence, seldom for moderation, charity, or justice. This demand is natural enough, but it is not Christian, neither is it wise. "The hope of the future lies less in the conquest than in the disillusionment of the enemy. Once the network of lying and sophistry, in which the Germans have been living for some time past, has been broken through, and the fearful moral isolation into which they have been brought has been realised, there will be an immense revolution in the public mind of Germany, and securities for European Peace will have been created far superior to any that could be gained by the victorious entry of the Allies into Berlin." The preacher who sees this fact, or something like it, will be no party to any weakness in maintaining the conflict for righteousness and truth; neither will he make himself the mouthpiece of anti-German passion, which is running strong to-day for very intelligible reasons. Sooner or later Peace will be restored and the passions of war will die away. The war will be succeeded by another set of moral and religious problems. These will try the fortitude and faith of Christians to an extent that cannot be conceived at the moment. The work of the Christian preacher then will still be the application of Christ's law to the changed conditions of social life. Will that application be an easier task for the preacher whose preaching has associated him in the minds of his people with violence of thought and speech? This is an imperfect résumé of the motives Dean Henson has sought to keep before him in all the sermons under review. He could have made no better claim upon the attention of his countrymen at a time when there are many causes that would drive them into paths of action of which most certainly they will be ashamed in the future.

Perhaps the most valuable, certainly one of the most striking, of these "War-time Sermons" is that preached last autumn in St. Margaret's, Westminster, upon "the functions and future of national Christianity". The reversion in Germany to a

national, or, as some prefer to term it, a "tribal", form of religion is well understood in this country. A similar reversion, although not so logical and complete, is not unknown elsewhere. Before the war there was a "brazen imperialism" preached in England very difficult to distinguish, so far as Christian ethics are concerned, from the German variety of the same error. If to-day there is a sound of other things, so much the better for the world. The welfare of the world will not be served by the domination of any one nation, but by the proper development of all nations. "God", said Mazzini, "has written one line of His thought upon each people", who are each to bring their gifts into the market-place of the world's good. Obversely, the Christian Englishman, as Dean Henson wisely remarks, is bidden by his Church to look forward not to a "final disappearance of English nationality in the triumph of some universally prevailing type of humanity", but to the "gradual and ultimately complete triumph of all national types, including his own".

It has been pointed out before in this Review that the Bishop of London's great strength lies in his own personality. A young undergraduate of much more than average ability once said to the reviewer at the conclusion of one of Bishop Ingram's addresses in the Great Hall at Christ Church: "It is not so much what he says, but what he is that makes the Bishop of London such a power among us here". Another striking characteristic emerges from all the sermons under review. They are not so much attempts to explain Christian ideals theoretically as they are efforts to direct Christian energies in practice. This is implied in the Bishop's own estimate of the causes for which the Church exists. It is "to inspire the nation to take a noble and high-minded line of policy, to fill the sailors and soldiers with fortitude and courage, and give them in abundance the spiritual and sacramental help they need; to set an example itself of self-sacrificing service; to visit the sick and wounded; to comfort the mourners; and to lead day and night the intercessions of the people". The address given from the steps of St. Paul's Cathedral last July—the last in the volume under review—was conceived in such a spirit, and the conception delivers it from the evils of any narrow nationalistic errors that lurked in the minds of the great crowd who listened breathlessly to a moving call to their souls.

The wisest plan, perhaps, for the reviewer will not be to attempt any further comparison between the two methods of appealing to the soul of the nation. They are both sincere, they both appeal to the same Christian ideals of life and conduct. Let him rather suggest that both methods, by the mercy of God, may help Englishmen to rise to a worthy conception of their national function in His comprehensive, far-reaching plans.

NEW ENGLAND AND OLD GREECE.

"The Greek Tradition." By J. A. K. Thomson. With a Preface by Gilbert Murray. Allen and Unwin. 5s.

MR. THOMSON belongs to that happy band of scholars which is able to talk quite genially to an ordinary well-read person without making him feel uncomfortably ignorant and perplexed. Andrew Lang was one of them, and Professor Gilbert Murray is another. These men talk to us in the most engaging English of ancient texts and remote mysteries of Greece without having to bewilder us with special terms peculiar to classical exegesis. They add to their scholarship a sympathetic humanity which appeals even to those who have never opened an original Greek page. They bring the Greek poets into immediate touch and comparison with the poets of England, making us realise the gulf which divides us from Homer and Sophocles even while they are helping to make these ancient poets in a true sense companionable.

The scholar who stands as an interpreter between the expert specialism of his calling and the eager crowd which is not able to receive, unaided, the more abstruse appeal of classical literature is in some ways

rather perilously placed. While his scholarship tends to limit his appeal to the wide public, his habit of writing for all lovers of literature and not for specialists alone tends to make him a suspect, a black sheep, among the experts. Mr. Thomson suffered rather rudely at the hands of his fellow classicists when he published his first fascinating book on the *Odyssey*—so much so that Professor Gilbert Murray has come to his help in this second venture with a preface, in which the advantages of imagination are given their rightful due. Mr. Thomson has qualities which lie outside the routine of the examination chair. He has all the qualities of the scholar, but imagination is added to them, and makes them at times seem comparatively unimportant. He does not give pride of place to the routine of expert commentary, and this, seeming like a neglect of his true craft, is resented by the orthodox. They feel that their craft has received a kind of snub.

No such snub is intended, or would indeed be at all wise or decent. The old saying concerning an ill bird applies to scholars as well as to other men. *Noblesse oblige*.

Two of the most interesting chapters in Mr. Thomson's book deal (1) with the difficulty, the virtual impossibility, of translating the Greek poets into English, and (2) with the so-called "simplicity" of the Greek poets. These two subjects really, in a way, lead us to the same central point of contrast between the English and the Greek way of writing poetry. Greek "simplicity" consists in shearing away from the principal idea, incident, scene or emotion every irrelevant detail. Greek poetry presents always the quintessential, the typical, the general or abstract thing. Its landscapes are so generalised that no one to-day can identify the scene of Homer's ten years' battle before Troy. His theatre of war is simply a theatre of war. Then, too, the Helen of the Greek poets is simply a beautiful woman. We know virtually nothing about her except that, despite the delightful irony of Herodotus, she was worth fighting about for ten years. Similarly, Nausicaa is "white-armed"—but so, one supposes, were her hand-maidens. The Greeks did not believe in particularising a person, scene or an emotion (there is hardly any such thing as introspective analysis in Greek drama) an inch beyond what was necessary to the business in hand. They kept to type. You may call this simplicity; but it is the simplicity of things refined down to the kernel of their significance. It is the simplicity of Beethoven's "Little Symphony", of Shakespeare's "The rest is silence", and of the Parthenon. It is compatible with the most minute care in any detail which serves directly the main purpose of the artist; but it ruthlessly suppresses everything which might conceivably distract from or merely add in a subsidiary way to his purpose. The architect of the Parthenon has worked upon his pillars in almost invisible dimensions in order to make apparent to the eye their strong and joyful thrust at their burden. He has actually carved them in a parabolic form which has to be measured to the fraction of an inch before it is discovered. He has been to all this trouble and care because his main idea is thereby served. But he has added nothing to the original, simple design and purpose of his work. Such is the "simplicity" of old Greece.

Now this sort of simplicity is not an English trait. It enters into English poetry because it enters at times into all great art; but it is not the normal English mode. The English poets, far from aiming at the abstraction or taking away of particulars in order to leave their conceptions as general and as typical as

possible, positively rejoice in piling trait upon trait, detail upon detail. They rely not upon universal abstract form, but upon local colour. Shakespeare's cliff at Dover would have been rendered by Sophocles in a way that would simply have left us with the abstract idea of dizzying height and giddy peril. Sophocles would never have introduced the man who gathered samphire, the crows and choughs showing scarce as gross as beetles, the fishermen walking like mice upon the beach, the vessel with its "cock" and buoy, and the "unnumbered idle pebbles". To Sophocles these things would have seemed irrelevant accidents, relating to some particular cliff with which his own idea had nothing whatever to do. His cliff would have contained all the cliffs he had ever seen, and the Greek would get as vivid an idea from a generalised description of this typical cliff as Shakespeare's English readers get from Shakespeare's particularised description. Mr. Thomson points this contrast in rather a different way by contrasting Antigone's dying speech with Juliet's horror of the vault of the Capulets. Where Sophocles confines himself to the ruling emotion of his heroine and disregards her horror of a living death, Shakespeare shows us the imagination of his heroine filled with particular and detailed images of her immuring.

Here we begin to appreciate the extreme difficulty of translating the poetry of the Greeks into English poetry. The translation in English ears must needs seem cold and unsatisfying. Abstractions, feelings which have been purified of any merely individual ascription, landscapes which have been emptied of anything in the nature of topography, situations presented in their essential significance without the addition of anything which might contract their application—these things can in English make but a thin and reed-like music—like the notes of a flute in which there are no overtones. The English rely upon colour and detail; their sense of reality is stimulated by what is concrete and particular; they demand that their poets shall deal with individual men whom they can see and know by something that marks them off from other men. They miss in Greek poetry the wealth of detail, the variety and intimacy which belong to their own, and they fail to get in return—for these things baffle the translator—the Greek purity of line, the singleness of eye and purpose, the "simplicity" of the Greek.

We have touched the fringe of one alone of the subjects with which Mr. Thomson deals—a very big subject in which he writes in every line with a wide understanding and a scrupulously careful use of the right word. When Mr. Thomson, for example, finds it necessary to talk of realism he is careful, in an age when the current terms of criticism have been corrupted almost beyond recognition, to separate himself both from the critics who use it as a praise-word and the critics who use it as a swear-word. Realism is a technical term or it is an excuse for not thinking at all. At every turn we feel safe with Mr. Thomson. We always know what he is talking about. Among the papers we are unable to touch upon at all are an excellent essay upon Thucydides, a very fine study of Lucretius, and a charming reconstruction of the realities of Greek country life.

LIFE IN DENMARK.

"Denmark and the Danes." By William T. Harvey and Christian Reppien. Fisher Unwin. 12s. 6d. net.

THIS book is a clear and faithful "Survey of Danish Life, Institutions and Culture". The authors quote the Danish wag who said "Denmark is

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Copenhagen and Copenhagen is the Tivoli", but go on to show very effectively that, though a light heart and genial temperament are national characteristics, the Danes are an intellectual and highly educated people. They have many representatives in art, literature, and science, and their systems of agriculture and dairy work are well known and recognised. Interesting accounts are given of the Royal Danish Porcelain Factory, Professor Finsen's Institute, the Busck Milk Supply of Copenhagen; and it was from Copenhagen that the "Selandia", the first oil-driven vessel, went out to sea. The opening chapters would be an excellent guide to visitors, pointing out the many places of beauty and interest there are to attract the traveller. The book as a whole gives a very good idea of the ways and means of the country, whose earlier history has been so interwoven with our own, and is brightly written, while the illustrations are excellent.

Far too little is said of the beautiful forests of Denmark. Who on reading "Denmark boasts but few forests" can realise the delight of the first spring "Skov-tur" (Forest-tour), or imagine how on Sundays and holidays all through the summer the trains and electric trams—of which there is an excellent service—are overflowing with people all keen to get away to the forest? All through the week, too, after business hours the roads are black with bicycles all hurrying the same way. In Sealand there are many forests; the Dyrhaven (Deer Park) and forest of Charlottenlund and Klampenborg being within easy reach of Copenhagen. There is a scene of life and gaiety in the open-air restaurants with the band playing! The very birds become so used to the frequent visitors that they will come and pick the crumbs from off the tables; some still more venturesome may even be induced to take a morsel from the palm of one's hand. Until recently every bicycle returned with a long green tail attached to it; naturally the young trees suffered too much under such treatment, and people are now prohibited from breaking off branches; so in order to gather a bouquet it is necessary to go farther afield, but then there are all sorts of lovely wild flowers to be found at the same time. It is only a question when the forest is more beautiful, in spring with its apple-green boughs overhead and a variegated carpet of wild flowers under foot, or in autumn with all its golden tints, or perhaps even the winter, when all is snow-clad and out comes the merry-making crowd in sleighs with bells tinkling; others toboggan down the "Djaevil Bakke" (Devil's Hill) in the Dyrhaven. In some parts there is a combination of lake and forest, as at Esröm, and again in others the forest runs down to the sea, and then, if not before, you realise that you are in the land of Hans Andersen. In Jutland certainly there are fewer forests, the whole of the northern part being heath and bog land, but great efforts to grow trees are being made by the Society for Cultivating the Heath, and not without success, in spite of great difficulties to contend with, usually a droughty summer and in winter gales which frequently lay even a full-grown forest flat; so that even the enthusiast who planted his 1,000 trees during a short Easter holiday has need of all his courage and is liable to frequent disappointment. Nevertheless his perseverance is now rewarded by a twelve-year-old plantation standing nearly twice his own height.

All the old family estates have large forest possessions, and there one may see forests in all stages of growth, from the newly planted upwards. The plantations are always of one kind of tree; one may wander through a forest of oak to a forest of beech and then on to another of fir, but different varieties of trees are never seen growing together as in the forests in other countries.

The many beautiful old castles, the family seats of the aristocracy, are also a great feature of the country. Most of them date back to the fifteenth century, and are of great historic interest. Many of them boast of beautiful collections of pictures, porcelain, and tapestries, and in many there are large and valuable

libraries. Some of these castles were originally State fortresses—for instance, "Dragsholm", where the Earl of Bothwell was confined after being taken prisoner by the Danes at Orkney, to which place he was sent by Mary Queen of Scots shortly after their marriage. Visitors may still see the remains of his embalmed body which once served as a plaything to the children of the neighbourhood. Once discovered, they were naturally robbed of their eerie pastime, and the body is now safely deposited in the vault of a church at a little distance from "Dragsholm" and only shown by special permission.

The shooting in Denmark is good, but confined to the private estates; at each one during the season there is a "lille Jagt" (small shooting party) and a "stor Jagt" (big shooting party). There is thus great exchange of civilities, and there are many gay house parties; but hospitality and gaiety are by no means confined to this season only: they continue, in fact, all the year round, and none is more genial than the Danish host. Entertainments are very well done, everything being very much up to date. The ladies are always dressed in the latest fashion; if narrow skirts are in vogue, the very narrowest are seen in Copenhagen, but when fashion decrees that wide ones shall be worn the ladies of Copenhagen are the first to obey, even submitting to the crinoline. It must not, however, be thought that they are given over entirely to frivolities; they are, on the contrary, most domestic and practical, and take an active part in the direction of their own household. The women of Denmark are very emancipated, and are ahead of their English sisters in having won the vote. One is, however, in no way oppressed by their politics, and they are amusing and interesting companions. The Danes love their country and like to show it at its best to strangers, to whom they are kindness and friendliness itself.

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ONCE A MONTH.

The "Nineteenth Century" opens this month with an article by Sir Francis Piggott upon the reorganisation of the Empire—an article thoughtfully constructive and proceeding, as the English Constitution has itself proceeded, by grafting new slips carefully upon the parent stem. Sir Francis feels with the critics who have lately deplored the unwieldiness of our later Cabinets. He would establish as the nucleus of a governing imperial body "that small body of leading Ministers who are His Majesty's Principal Secretaries of State." M. Ernest Dimnet contributes a most interesting article upon the latest turn of political thought in France. He discusses that "cry for authority" in France which we in England have so frequently heard after a different fashion. M. Dimnet shows that a paper revolution in France has not been necessary, because a revolution has, in essence, been accomplished. The Chamber has virtually consented to retire from active interference with the experts. M. Dimnet is confident that there can be no return to the Parliamentary *mares stagnantes* of the years before the war. The French will henceforth require capacity in their Government, and will see to it that this capacity is backed by authority. M. Emile Vanderelde describes the battle of the Yser of October last. Three factors, he writes, saved the Allied line on that occasion: la flotte anglaise, l'inondation et l'arrivée de renforts français. Lord Cromer discusses crowd morality apropos of Sir Martin Conway's recent book. Edith Sellers writes with conviction and point upon national thrift. Lastly, among other articles of interest, we are glad to note Professor Foster Watson's tribute to Erasmus. It is exactly 400 years ago that the first printed Greek text of the New Testament was published, with Erasmus for editor—an event which marked as much as any single event in literature the beginnings of the modern world.

There are many important articles in the "Fortnightly Review". The need for closer organisation is studied by Dr. E. J. Dillon, whose frank and fearless criticisms are modified this month by a postscriptum: "While reading the proofs of this article", he says, "I learn that seemingly moderate but really insidious peace proposals have emanated from Germany without finding any spokesman in these Islands who would venture to lay them before any of the Allied Cabinets. As I am cognisant of the terms offered, I write with first-hand knowledge. And I regard this offer as one of the most hopeful circumstances that have come to my knowledge since the outbreak of war. . . . The enemy is obviously disheartened in spite of the extent of Allied territory which he occupies. These new and cheering facts are calculated to nerve the Entente nations to superhuman efforts."

Mr. Arthur A. Baumann is even more interesting than usual, for he explodes a bombshell in every one of our political camps. He wants to know whether Democracy is to blame for "England's failure in the war on land". "The only two successes of the British arms on land up-to-date seem to be the retreat from Mons and the evacuation of Gallipoli, surely a negative kind of success, however heroic." Who's to be blamed? Dr. Dillon has blamed our democracy, while Mr. Baumann blames our lack of brilliant leading. "The conduct of the wars of the last two centuries proves that success or failure in war depends on the ability or want of it in the commanders by sea and land, aided or hampered by the ability or want of it in one or two members of the Government." Mr. Baumann is no admirer of democracy, "agreeing with Carlyle that the rule of numbers is a 'self-cancelling business, and ends in zero';" and, in one respect, he agrees with Dr. Dillon in the view that democracy has hampered our efficiency as a war power. "The Trade Unions have hung like a millstone round the neck of the Government", and "organised labour has retarded the adoption of compulsory service by a year, and thus cost us £1,000,000,000 and very many lives."

There are excellent papers also by Mr. J. A. R. Marriott, Mrs. Meynell, and "Nauticus."

The "National Review", in "Episodes of the Month", utters some useful warnings concerning (a) the experts who defeat the Germans by arithmetic, and (b) the reports from neutral sources which tell us that Germany is losing her hatred of England, and is getting very tired of the war. There is pith and marrow in these "episodes". Mr. Maxse reprints from the "New York Tribune" its fine tribute to France. Mr. Frank Fox describes the Anzac in London, and Mr. Ian Colvin answers some of the critics of his late excellent book on the Germans in England. Mr. Reginald Berkeley contributes an amusing sketch of social life in Germany before the war. Mr. Maxse himself signs an article dealing with the observed truth that the Front Trenches are less depressing than the Front Benches. Finally, one reads with rare pleasure Miss Frances Pitt's account of the "Bank Vole". Miss Pitt's natural history is the real thing. It is independently observed. The right word is matched with things seen, and her feeling is ever fresh.

"Blackwood's Magazine" continues the tales of a "Gaspie Officer" and the "Diary of Junior Sub"; while "The Wards in

War-Time" and the "Experiences of an O.T.C. Officer" bring us into personal touch with other regions and aspects of the war. David Hannay discusses "The Freedom of the Seas". In an article upon "The Civil Service—Old and New", a very striking case is made out for a reversion to the sound principles which ruled before the new ideals of expenditure (1906-1914) were rampant in our departments. The same subject is ably treated in "Musings Without Method", where a strong plea is urged against starving the mind of the nation. This subject brings the writer naturally to talk of the late dispute between science and the humanities. These passages culminate in an apt quotation from Erasmus. No less apt is a great passage reproduced later on from Abraham Lincoln's Message to the Operatives of Manchester.

The "Cornhill" opens with the fragments of an essay by Thackeray upon Napoleon. Thackeray seems to have intended to take for his theme the darker side of war. In the one fine passage preserved, he suggests that an obituary should be kept of all who fall, stating the merest facts. "John Thompson, 24, received a musket ball in the thigh at Tezna: limb amputated same day: died of the operation: born at Taunton, in Somersetshire—only son of Jane Thompson now resident there. Has left a widow and three children". This was written before Gardiner had so nobly spoken of the men of whom history in her haste takes no account. Mr. Boyd Cable contributes to "Cornhill" a story of the war, graphic in detail, entitled "The Fear of Fear". Lucas Malet continues her edition of Kingsley's "The Tutor's Story", and Mrs. Humphry Ward contributes two more chapters of "Lady Connie".

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Prudential Assurance Company, Limited.

Chief Office: HOLBORN BARS, LONDON.

Summary of the Report presented at the Sixty-seventh Annual Meeting, held on March 2nd, 1916.

ORDINARY BRANCH.—The number of policies issued during the year was 68,785, assuring the sum of £3,619,218, and producing a new annual premium income of £457,217. The premiums received during the year were £5,157,516, being an increase of £121,891 over the year 1914. The claims of the year amounted to £4,330,768, of which £145,536 was in respect of War Claims. The number of deaths was 11,358. The number of endowment assurances matured was 25,559, the premium income of which was £137,797.

The number of policies in force at the end of the year was 935,514. **INDUSTRIAL BRANCH.**—The premiums received during the year were £3,508,083, being an increase of £329,861.

The claims of the year amounted to £3,939,596, of which £425,499 was in respect of 25,379 War Claims. The bonus additions included in the claims amounted to £276,721. The total number of claims and surrenders, including 15,505 endowment assurances matured, was £29,510.

The number of free policies granted during the year to those policyholders of five years' standing and upwards who desired to discontinue their payments was 88,381, the number in force being 1,984,523. The number of free policies which became claims during the year was 51,417.

The total number of policies in force in this Branch at the end of the year was 20,859,887; their average duration exceeds thirteen years.

The War Claims paid during the year, in both Branches, number 26,826 and amount to £571,035. The total paid up to the present on this account since the outbreak of War exceeds £750,000 in respect of over 34,500 claims.

GENERAL BRANCH.—Under the Sickness Insurance Tables the premiums received during the year were £9,085, and £5,468 was paid in Sickness claims. The whole of the Fund of £16,955 is reserved for future liabilities.

The assets of the Company, in all branches, as shown in the Balance Sheet, are £94,794,798, being an increase of £3,592,454 over those of 1914.

The Directors, after careful consideration, feel justified in paying a bonus on all participating policies of the Ordinary Branch which become claims either by death or maturity during the financial year, but in view of the present unsettled conditions it is not proposed to make a general distribution of bonus, and the shareholders will not therefore receive any part of the profits of this Branch. The interests of participating policyholders are safeguarded by a Special Contingency Fund of £700,000.

The provisions relating to Industrial Assurance contained in the Courts (Emergency Powers) Act, 1914, have resulted in a severe strain upon the Company's resources, which has reduced the surplus shown on the operations of the year, and whilst these provisions remain in force the strain must continue. In these circumstances the Directors have not felt justified in drawing upon the £300,000 set aside last year to meet contingent liabilities created by the Act, but have met the loss out of revenue, and in addition have felt it necessary to increase the amount set aside by £50,000. The Courts (Emergency Powers) Act Reserve therefore stands as at 31st December, 1915, at £350,000.

The profit-sharing scheme in the Industrial Branch provides that after payment of a fixed dividend to the shareholders any surplus profit shall be divided into six parts: one part being retained by the shareholders, one distributed among the outdoor staff of the Company and the remaining four parts being allotted by way of bonus to the policyholders of the Industrial Branch. The sum which has already been paid or allotted under this scheme by way of bonus to the Industrial Branch policyholders and outdoor staff amounts to £2,825,000.

The amount of surplus shown this year does not permit of any increase being made to this sum; there is, however, a substantial balance still remaining, from which bonus additions will be made to the sums assured on all policies in the Industrial Branch of over ten years' duration which become claims either by death or maturity of endowment from the 3rd of March, 1916, to the 1st of March, 1917, both dates inclusive, as follows:

PREMIUMS PAID FOR		BONUS ADDITION TO SUMS ASSURED.	
10 years and less than 35 years	...	£2 10s.	per cent.
35 " " " " 40 " " "	...	£5	"
40 " " " " 45 " " "	...	£15	"
45 " " " " 50 " " "	...	£30	"
50 " " " " 55 " " "	...	£40	"
55 " " " " 60 " " "	...	£50	"
60 " " " " and upwards	...	£60	"

The strain imposed upon the Company by the operation of the Courts (Emergency Powers) Act and the necessity of reserving funds to meet the liabilities which this Act unnecessarily and inequitably creates, are in a large measure responsible for the temporary suspension of the profit-sharing scheme; this year there will be no surplus profit sharing by the shareholders or by the outdoor staff, while the fixed dividend of the shareholders will be reduced by £100,000.

In addition to the reserves held against the liabilities shown by the valuation the total amount reserved for contingencies, including amounts carried forward, exceed £4,100,000.

The Balance Sheet includes amounts totalling over £13,000,000 in War Loan and Treasury Bills. The increase in the holding of British Government Securities compared with last year is £11,849,133, against a decrease of £8,276,885 in the Balance Sheet item "Railway and other debentures, and debenture stocks and gold and sterling bonds—Home and Foreign." Apart from the purchase of 4½ per cent. War Loan, this is principally due to the sale to the Government in July last of the whole of the Company's holding of United States securities.

The following letter was received from the Chancellor of the Exchequer in connection with the transaction:—

[COPY.]

TREASURY CHAMBERS,
WHITEHALL, S.W.

Dear Sir,

I have to thank the Prudential Assurance Company on behalf of His Majesty's Government for the patriotic spirit they have shown in placing the whole of their American securities at the disposal of the Treasury at a fair and reasonable price. The transaction has been of considerable assistance in facilitating Exchange operations, and the greatest credit is due to the Company for its prompt action.

Yours very truly,

R. McKENNA,

G. E. MAY, Esq., Secretary,
Prudential Assurance Company, Ltd.

The six Prudential Approved Societies formed under the National Insurance Act 1911 continue to make satisfactory progress, and the valuable services rendered to the members by the Agency Staff are highly appreciated. The amount distributed in benefits to the members at their homes during the year amounted to £1,414,109, making a total exceeding £4,400,000 since the commencement of the Act.

It is with feelings of pride and satisfaction that the Directors are able to report that no fewer than 9,221 of their staff are either serving with the colours or have attested or been rejele ted for service: 1,305 from the indoor staff and 7,916 from the outdoor staff.

Balance Sheet of the Prudential Assurance Company, Limited, being the Summary of all branches, on the 31st December, 1915.

LIABILITIES.		£	s.	d.	ASSETS—continued.		£	s.	d.
					Brought forward ...				
Shareholders' capital ...	...	1,090,000	0	0	Investments (continued):—	...	26,958,158	15	8
Life assurance fund—	...				British Government securities—	...			
Ordinary Branch ...	£447,383,780	6	7		4½% War Loan, 1925-1945	£4,912,421	19	0	
Life assurance fund—	...				Treasury Bills	8,193,256	9	7	
Industrial Branch ...	42,322,260	5	13		Government Annuities, &c.	61,307	13	4	
Sickness insurance fund—	...				Local Loans Stock, &c.	83,003	0	0	
General Branch ...	16,955	6	11						
		89,722,995	19	4			13,263,988	4	11
Investments reserve funds	...	2,600,000	0	0	Bank of England stock	...	143,117	2	10
Contingency fund	...	700,000	0	0	Municipal and county securities, United Kingdom	...	1,373,037	13	5
Courts (Emergency Power) Act Reserve	...	350,000	0	0	Indian and Colonial Government securities	...	4,619,591	12	8
Claims under life policies intimated and in course of payment	...	267,084	8	10	Colonial provincial securities	...	1,359,655	5	10
Annuities due and unpaid	...	2,856	10	4	Indian and Colonial municipal securities	...	3,558,890	19	9
Balance of bonus under life policies reserved for distribution in Industrial Branch	...	151,861	12	7	Foreign Government securities	...	6,151,487	17	6
		£94,794,798	11	1	Foreign provincial securities	...	791,846	12	10
					Foreign municipal securities	...	3,417,044	17	11
					Railway and other debentures and debenture stocks and gold and sterling bonds—Home and Foreign	...	12,971,059	0	11
					Railway and other preference and guaranteed stocks and shares	...	3,243,090	4	1
					Railway and other ordinary stocks and shares	...	2,853,222	9	10
					Rent charges	...	597,710	16	6
					Freehold ground rents and Scotch feu duties	...	4,775,293	0	6
					Leasehold ground rents	...	9,578	14	5
					House property	...	4,263,087	18	6
					Life interests	...	34,328	14	6
					Reversions	...	1,283,446	1	6
					Agents' balances	...	8,025	2	10
					Outstanding premiums	...	614,648	14	1
					Outstanding interest and rents	...	124,497	12	10
					Interest, dividends and rents accrued but not payable	...	610,720	13	1
					Bills receivable	...	Nil		
					Cash—On deposit	...	20,000	0	0
					In hand and on current accounts	...	1,527,678	4	2
							£94,794,798	11	1

The values of Stock Exchange securities are determined, under the Articles of Association of the Company, by the Directors. Due allowance has been made for accrued interest and the book value of these securities as set forth in the Balance Sheet stands considerably below cost price. A careful investigation as to the actual saleable value on 31st December, 1915 (all minimum price quotations being greatly reduced), compared with

THE PRUDENTIAL.

the book value, shows that the Investments Reserve Funds are much more than sufficient to meet any depreciation of the permanent securities. Terminable securities have been valued on a basis which, with Sinking Funds already established, provides for the equalisation of the book values and the redemption values at the date of maturity.

We certify that in our belief the Assets set forth in the Balance Sheet (having regard to the standards indicated) are in the aggregate fully of the value stated therein less the Investments Reserve and Contingency Funds taken into account, and make ample provision for all the liabilities of the Company. No part of any fund has been applied directly or indirectly for any purpose other than the class of business to which it is applicable.

A. C. THOMPSON, *General Manager*. THOS. C. DEWEY, *Chairman*.
J. BURN, *Actuary*. W. J. LANCASTER, *Directors*.
G. E. MAY, *Secretary*. JAMES MOON,

We report that with the assistance of the Chartered Accountants as stated below we have examined the foregoing accounts and have obtained all the information and explanations that we have required and in our opinion such accounts are correct and the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company. No part of any fund has been applied directly or indirectly for any purpose other than the class of business to which it is applicable.

PHILIP SECRETAN, *Auditors*.
W. H. NICHOLLS,

We have examined the Cash transactions (receipts and payments) affecting the accounts of the Assets and Investments for the year ended December 31st, 1915, and we find the same in good order and properly vouched. We have also examined the Deeds and Securities, Certificates, &c., representing the Assets and Investments set out in the above account, and we certify that they were in possession and safe custody as on December 31st, 1915.

DELOITTE, PLENDER, GRIFFITHS & CO.,
15th February, 1916. *Chartered Accountants.*

THE REPORT.

MR. THOMAS C. DEWEY, presiding at the General Meeting of the Prudential Assurance Company, Limited, held on Thursday, said: We met last year under the shadow of the terrible conflict which is still devastating the wealth and happiness of nations, and we meet again with one thought still uppermost in our hearts and minds—a thought which has, however, in the interval ripened into full conviction—that, fearful though the sacrifices which we are called upon to make may be, there is no limit to the suffering which we would cheerfully endure rather than submit to an inconclusive peace. It is certainly evident that the preparations unceasingly made by Germany for forty years in order that she might assert her mastery throughout Europe had given her an enormous advantage over her peace-loving neighbours; but her disregard of all those amenities by which civilisation has sought to alleviate the horrors of war, her sheer brutality and barbarism, have effectively kindled the spirit of the Allied Nations and caused them to employ unitedly and to the exclusion of all other considerations the full extent of their greater resources for the organisation of victory. Signs are not wanting that, great as is the strength of Germany, the grip which our Grand Fleet has imposed upon her imports and exports, coupled with the fact that nearly all her foreign securities have been exhausted, has seriously impaired her ability to pay for such imports as she can secure and which she so greatly needs. Paper currency may solve internal difficulties for a time, but the continuous fall in the value of German exchanges is a sure indication that an economic crisis cannot be indefinitely postponed, and her situation is made increasingly difficult by the necessity which she is under of supporting her Allies, whose financial position is even more precarious than her own. Sustained by the justice of our cause we look forward with confidence to the time when our forces by land, by sea, and by air, together with those of our invincible Allies, will win the final and crushing victory over the Hun and destroy for ever the evil dream of Prussian domination.

Let me now direct your attention to the first page of the Report. The figures there shown would have been amazing if the year 1915 had been a year of peace; but when we consider the number of unusual calls upon us all, together with increased taxation and greatly increased cost of living, the figures I am about to quote will show what astonishing results our Company has produced. The total assets, as shown by the balance-sheet, are £94,794,798, being an increase of £3,592,454 over last year. The total income of the Company during the past year was £17,831,500, an increase of £635,502 over that of the previous year, and of £1,263,981 over that for 1913. Of this amount £3,677,559 came from interest and dividends, and £13,672,644 from premiums. The interest and dividends were £107,666 in excess of those for 1914. It is, however, to the increase in the premiums received in the Industrial Branch I would direct your attention. In 1914 the premiums received amounted to £8,176,202, an increase of £301,746, and I then told you that in a normal year, with fifty-two collecting weeks, we had never before had so great an increase. In 1915 the premiums received amounted to no less than £8,506,063, which is an increase of £329,861. That is to say in spite of the country being engaged in hostilities for the whole of the twelve months, we have again secured a record premium increase. The number of Industrial policies in force has been increased during the past year by 774,877 to 20,859,887, assuring £276,402,265 exclusive of bonus; the average duration of these policies exceeds thirteen years. When it is remembered how many of these policies have only been recently effected, it is, I think, a wonderful thing to be able to say that our efforts to prevent wasteful lapsing have succeeded to such an extent that nearly 21 millions of policies have an average duration of over thirteen years. The premiums receivable in respect of these policies amount to £171,755 per week, or £9,862 more than in the previous year. This is an increase in the weekly premiums that has never been approached in the history of the Company. In the Ordinary Branch the number of policies issued was 68,785, assuring

£6,619,218, and producing a new annual premium income of £457,217. This is an increase of 3,034 in the number of policies, £300,375 in the sums assured, and £32,864 in new premiums, over the new business for 1914. Our business in policies for £500 and upwards still continues to increase, and during last year exceeded £1,100,000 in new assurances. The premiums received in the Ordinary Branch during the year were £5,157,516, being an increase of £121,891 over the year 1914. The total sum assured under the 935,514 policies in force at the end of the year was £104,336,208. The claims in both branches for the year have been very heavy, amounting in all to £8,269,363, of which more than £5,000,000 was due to claims by death. The war claims for the year amounted to £571,035; these claims were on comparatively young lives, and, in consequence, involved a heavy loss. In addition, quite apart from the war claims, the mortality amongst the general population was heavy for a considerable portion of the year. As the Prudential policy-holders are representative of the whole of the kingdom, heavier claims on the Company are always coincident with an increased death rate among the general population. Whilst I believe that an improvement in the mortality among the civilian population may be expected, there is, unfortunately, only too much reason to fear that the war claims will be heavier rather than lighter during the current year. You will remember that at the commencement of hostilities the directors decided that no additional premium should be charged for the extra war risk on existing policies, excepting for those on the lives of officers and men of the Regular Army, and that these assurances should be free up to £250. The value of this concession may be gauged by the fact that since the commencement of hostilities war claims exceeding three-quarters of a million pounds have been paid, or a weekly average of over 500 claims for about £10,000. Of the amount paid £113,366 was due to Naval casualties, £627,750 to deaths in the Army, £19,534 to frightfulness, including that most inhuman of outrages the sinking of the "Lusitania," and £2,815 to Zeppelin raids and the coast bombardments. So far as financial help can alleviate the suffering caused by the war I may claim that the Prudential has worthily upheld its traditions. The expense ratio has slightly increased in both branches. While an increased new business always tends to increase expenditure, the economy in working by concentrating our business into limited areas has more than counterbalanced this, and an appreciable reduction in the rate of expenditure would have been shown had it not been for the temporary clerical assistance it has been necessary to obtain on account of the very large number of our staff who have joined the Colours. I may say that practically the whole cost of the temporary assistance represents additional expenditure. You are probably aware that from the commencement of the war the directors, being anxious to encourage those members of the indoor and outdoor staffs who desired to enlist, have paid them the difference between their official salaries and their Service pay, in order that they might not suffer financially by reason of their patriotic response to the country's call.

Dealing with the subject of finance, the year we have just passed through will long remain notable, not only in the annals of the country, but in the records of the Prudential. If I may draw a parallel the tremendous financial strain has been met, both by the country and the Prudential, by a mobilisation of resources without precedent. The issue of a Four and a-half per Cent. War Loan in July last, followed by the sale of Five per Cent. Exchequer Bonds, altered the whole standard of interest rates. The result was a further depreciation in the market value of all interest-bearing securities, and although this depreciation has to some extent been disguised by the retention on the Stock Exchange of minimum prices, yet it would be idle to ignore its existence. The question of this depreciation received the earnest attention of your Board, and, in view of the fact that prices have not yet attained a stable basis, and free dealing on the Stock Exchange is not yet permitted in many groups of investments, it was decided to adopt the same course as last year, viz., to carry substantial amounts to Investment Reserve Funds rather than to further write down the value of our securities. We have accordingly added the sum of £600,000 to the Reserve Fund in the Ordinary Branch, bringing it to a total of £1,600,000, and £342,365 to the Reserve Fund in the Industrial Branch, which, after deducting £92,365 for realised losses on conversion of Consols, brings that Investment Reserve Fund to £1,000,000. In addition, we have carried £700,000 to a special contingency fund in the Ordinary Branch, which will be available to meet any emergency which may possibly arise. It is of interest to note that the total Reserve Funds and amounts carried over in both branches which are available to meet the special conditions imposed by the war, amount to a total of over £4,100,000. When it is remembered that during the six years preceding the war we wrote down our securities by over £5,000,000, you will realise how effectively we have made provision for the difficulties with which we have been faced. This depreciation would be more serious if realisation of investments were necessary to meet liabilities; its importance is, however, very much minimised in the case of a Life Assurance Company which is in the position of holding securities to meet liabilities the great majority of which emerge only in the somewhat distant future. The depreciation has been most severe in what may be termed permanent securities, that is, securities which are not redeemable at any fixed date. We have, therefore, valued these on the stringent basis of their present saleable values. Securities for which quotations were available have been valued at their actual market prices. Where minimum prices existed they have been disregarded and values placed on the securities considerably below those which we estimate could easily be realised in the open market. I am happy to say that our investment reserve funds in each branch are much more than sufficient to meet this depreciation. In the case of terminable securities we feel that a

THE PRUDENTIAL.

market valuation in such times as the present is not a true test of value. In the past we have purchased many securities, of which the capital value is definitely repayable at some future date. For these securities we have always established sinking funds sufficient to equalise the book values and redeemable values at maturity. So long as the interest is duly paid, so long as we have good reason to believe the capital will be paid, and so long as we do not have to realise, we maintain that such securities are quite as valuable assets of the Company as they were at the date of purchase. With regard to the first two of these conditions we are quite secure, having made ample provision to meet the case of any possible default in our small holding of enemy securities. With regard to the third condition, the possibility of having to realise securities, our position is unassailable. Apart from our normal excess of income over outgo and in addition to our large cash balance at the bank, we hold at present over £10,000,000 of securities maturing this year, of which £9,000,000 are British Government Treasury Bills.

In the past we have put aside large sums to meet depreciation. Some have thought that the policy followed was too cautious, but time has justified the action of the directors. This year we are reserving a very much larger proportion of our surplus, and it may again be urged that we are erring on the side of safety. We stand at a crisis in the history of the country, no man can forecast the length of the war, no man can tell what the future will bring forth. It may happily prove that we have been over-cautious. If so, the surplus which is being withheld will help to increase future bonuses. On the other hand, if the war should continue, if increased strain should have to be borne, then I say to you it would not be just to the Company, it would not be fair to the shareholders, it would not be right to the policy-holders, for us to neglect any precaution to preserve the strength and reputation of the Company.

I said last year that the Prudential was prepared loyally to do its share in aiding the finances of the country. When I used these words I had no idea how soon or in what manner we should be put to the test, but the following letter from the Chancellor of the Exchequer, who has kindly authorised its publication, affords one illustration of the fulfilment of our promise:—

"Treasury Chambers, Whitehall, S.W.,

"4 August 1915.

"DEAR SIR,—I have to thank the Prudential Assurance Company on behalf of His Majesty's Government for the patriotic spirit they have shown in placing the whole of their American securities at the disposal of the Treasury at a fair and reasonable price. The transaction has been of considerable assistance in facilitating Exchange operations, and the greatest credit is due to the Company for its prompt action

"Yours very truly,

"R. McKENNA.

"G. E. May, Esq., Secretary,

"Prudential Assurance Company."

You may be interested to hear a few details of the transaction. We recognised early last summer that steps would have to be taken to regulate the American Exchange, and accordingly intimated to the Government that we were prepared to place at their disposal all our holding of American securities. The offer was accepted and the whole matter was carried out with remarkable rapidity. It is our practice to detach the sheets of coupons from our bonds in order to facilitate the cashing of them as they fall due. These coupons had again to be attached to the bonds, and it is interesting to note that within a period of forty-eight hours over 44,000 bonds of a nominal value of over £8,750,000 were checked, removed from our own strong rooms, had their sheets of coupons attached, and were despatched to the Bank of England. Merely to state that we did this work in forty-eight hours may not seem very remarkable, but if I give you a few more particulars you will better appreciate what the work really was. The actual bonds themselves made up six motor 'bus loads. The adhesive paper used to affix the sheets of coupons to the bonds measured well over eight miles. A staff of about 100 was engaged until nearly midnight. The work was carried out under the personal supervision of the directors, and, when all was finished, the Bank of England informed us that everything had been found to be correct except that a single coupon of the value of only a few shillings had in some unexplained manner apparently vanished. The second transaction of note was our application for over £3,000,000 War Loan. This represents what is probably the largest subscription from any company (excluding banking companies) throughout the kingdom. The conversion of our holdings of Consols and Three and a-Half per Cent. War Loan brought our total holding of New War Loan to over £5,000,000. Mainly as a result of these two transactions we increased our holding of British Government securities by nearly £12,000,000. As a further matter of interest, I may tell you that we have been enabled during the year to take advantage of the fluctuating rates of exchange and sell to neutral countries £1,200,000 of their own securities. This was not only of advantage to the Company, but aided national interests, as it brought back capital from abroad for investment in our own country.

I trust I shall not weary you, but I must now beg your attention to the Valuation Report. This report is always of exceptional interest, but this year is of special importance. The valuation has been made on the same stringent basis as in previous years. In the Ordinary Branch the surplus disclosed is £1,519,331, which is £275,622 less than last year. The reasons for this reduction are either directly or indirectly connected with the war. The main sources of profit on life assurance business are: 1, favourable mortality; 2, interest earned in excess of the rate assumed in the valuation; 3, saving in expenses. The war has had the effect of decreasing all three sources of profit. Our mortality experience this year has been increased, owing to the

payment of £145,536 on war claims in this branch. The rate of interest earned in 1915, after deduction of income tax, was £3 19s. 6d., as against £4 3s. 10d. in 1914. The reduction is almost entirely due to the increased income tax to which we have been subjected. The third source of profit, viz., saving in expenses, is also less this year owing to the causes to which I have already referred. A very grave problem faced the directors as to how the surplus should be dealt with, and, eventually, it was decided we should not be justified in making any general distribution of surplus at the present time. The conditions were so unsettled, and the future course of events so entirely dependent on the duration of the war, that we considered the most prudent way of dealing with the surplus would be by setting aside £700,000 as a special contingency fund, by strengthening the Investments Reserve Fund by the addition of £600,000, and by carrying forward the balance of £219,331. This method safeguards the interests of the policy-holders and shareholders, since it leaves a very large sum available for distribution when the proper time arrives, and at the same time it conserves the resources of the Company. The shareholders, therefore, do not this year receive any portion of this surplus, since they share only in profits when such are declared. It was felt that the suspension of bonus would act somewhat unfairly on those policy-holders whose policies become claims during the year, either by death or maturity of endowment, and it has been decided, therefore, to pay a bonus in such cases when claims arise. In the Industrial Branch the surplus is £1,043,025, which is about £500,000 less than for the previous year. Here the same causes have operated in reducing surplus as in the Ordinary Branch, and, as you have just heard, the first call on that surplus was £342,365 for the increase of the Investments Reserve Fund. Moreover, in the Industrial Branch we have an additional cause contributing to this reduction, namely, the Courts (Emergency Powers) Act. You will remember that last year we set aside £300,000 to meet the contingent liabilities arising under the Act, and it would have been possible to have drawn upon this special reserve for the purposes for which it was set aside. We have thought it better, however, to meet the strain out of the year's revenue and maintain this reserve intact. In addition, it was found necessary to increase the reserve in order to meet the additional strain caused by the prolongation of the war. We have, therefore, carried £50,000 to this reserve, which stands as at the 31st December last, at £350,000. The Courts (Emergency Powers) Act, 1914, contained a provision that certain sections of Industrial policy-holders might, during an indefinite period, retain the benefit of their assurance policies without implementing their part of the contract by payment of premiums. On the ground of expediency the terms of these policies were over-ruled to the supposed advantage of the parties to one side of the contracts, but it should be borne in mind that Section 1 (B) of the Act was approved by the Legislature as part of emergency legislation only, in the expectation that large classes of the industrial population would, owing to the war, find their occupations gone or their incomes seriously reduced. It is, happily, a matter of common knowledge that this expectation has proved to be entirely unwarranted, the industrial classes having enjoyed a degree of prosperity beyond all precedent in our history, and this condition of affairs has, in turn, led our statesmen to seek for some scheme of investment which will attract the surplus earnings of these classes of the people, who are encouraged by Act of Parliament to allow their assurance premiums to remain unpaid. Having regard to the fact that the Company, during last year, purchased British War Loan and Treasury Bills to the value of nearly £12,000,000, it would seem that among the schemes which are being favourably considered by the Government with the object of attracting the savings of the small investor, the repeal of Section 1 (B) of the Courts (Emergency Powers) Act might well find a prominent place. We actually find that the Act discourages savings, for many persons are suspending payment of premiums under its shelter who are better able to maintain them than in ordinary times. Some of those who have suspended payment on their existing policies have even gone so far as to take out new assurances, thus securing the benefit of two policies at the expense of one. All these people are receiving free assurance at the expense of their fellow policy-holders, for, even though the premiums are unpaid, the Company is called upon to pay claims when death occurs. In consequence of this Act and the other considerations I have mentioned, the directors regret that the surplus in the Industrial Branch does not permit of any allotment to the Industrial Branch policy-holders under the profit-sharing scheme which was started in the year 1907. You will remember that the shareholders at that time voluntarily gave up their rights in any surplus profits beyond a fixed amount, except as regards one-sixth of such surplus profits, four-sixths being distributed amongst the Industrial Branch policy-holders and one-sixth among the outdoor staff. During the nine years the scheme has been in operation the policy-holders have had allotted to them £2,260,000 and the outdoor staff £565,000, or £2,825,000 in all. This year conditions, for which the Courts (Emergency Powers) Act is largely responsible, prevent any allotment of surplus profit being made to the outdoor staff or the policy-holders, and the shareholders not only receive no bonus, but, further, their dividend is reduced by £100,000. It was felt, however, that there would be some hardship in the case of claims on Industrial policies arising during the year, and, in these circumstances, it was decided to utilise the balance of bonus previously allotted to policy-holders, but not yet distributed. At the close of the year this amounted to £151,862, which sum, however, is subject to reduction on account of the bonus on claims arising for the first two months of 1916. A substantial sum remains at the present time, from which bonus additions will be made on all policies of ten years' duration and upwards. These bonuses

THE PRUDENTIAL.

will range from 2½ per cent. to 60 per cent. of the sum assured, according to the number of years' premiums which have been paid.

During the course of an extremely strenuous year we have proceeded uninterruptedly with the formation of agencies under the block system of collection, a method which I have explained to you on former occasions. Last year I was able to tell you that we had concentrated nearly one-eighth of our Industrial Branch income, representing over one million pounds a year, in 1,300 blocks. The proportion has now grown from 12 per cent. to 27 per cent., the yearly income so concentrated from £1,000,000 to £2,400,000, and the number of blocks from 1,300 to 3,000. The average weekly earnings of our agency staff have risen during the year by more than 2s., making an advance of 11s. during the past four years; and the increased value which is attached to our agencies is shown by the fact that in the four years referred to there has been a reduction of 7 per cent. in the proportion of agency changes. One of the objects we sought to secure by the introduction of the block system of collection was an improvement in the status and remuneration of our agency staff, and it is satisfactory, therefore, to find that during the past year the rate of changes in block agencies was less than half the proportion of changes under the older agency system. It is part of the programme of the Company that the benefit of any economy which increasing efficiency of method in the working of the Industrial Branch may render possible in normal times shall be participated in by the policy-holders of that branch and by our outdoor staff; this result is, as a matter of fact, secured by our profit-sharing scheme of 1907, to which I have already alluded. Apart from the operation of this scheme the directors hold that efficiency resulting in economy should be rewarded, and they welcome the evidence of increased earning power on the part of the outdoor staff, believing that it will result in advantage to all connections of the Company.

You will notice this year the Accounts include, for the first time, a Revenue Account and Balance Sheet for the General Branch. This arises from the fact that, under our new Memorandum and Articles, it is necessary for all business other than life assurance to be transacted in this branch. The Sickness Assurance business and the Contribution for Expenses for Approved Societies and any other business we may undertake in the future will appear in the accounts of the General Branch. I am glad to report that the number of shareholders again shows a steady increase. The total number of accounts open on 31st December, 1915, was 1,669, showing an increase of eighty-nine over last year.

In conclusion, I should like to say that I have never known a Prudential report of which I have been more proud than I am of the present one. Both indoor and outdoor we have worked with depleted staffs, we have contended with adverse legislation, we have faced unprecedented depreciation; yet, in spite of all these obstacles, we have accomplished a record increase in business. It is true that, owing to the war, the profit shown this year is less than that of previous years, but in all our actions we have been prompted by the consciousness of our national character and the well-known loyalty of our shareholders and of all connected with the Company. We have, as you know, paid many thousands of claims in full which we were not legally bound to pay, but these claims have been paid in respect of men who died for their country, and I want to feel that, come what may, you will support a continuance of such action in the future. It is also true that we have held over surplus instead of distributing it, and in so doing we have been providing, not for present known liabilities, but for possible contingencies, and I believe that this is exactly what would be expected and desired in this crisis by every policy-holder and shareholder of the Prudential.

Mr. A. C. Thompson, the General Manager, said: Seeing that the privilege of addressing you in Annual Meeting comes to me once only in every forty-four years of service, and having regard to the vast interests included in this vote of thanks, there might be found some excuse for elaboration of acknowledgment were it not that discursiveness is entirely at variance with the habits of the staff. Whether the staff is engaged in the completion of a proposal for assurance or in the sale of £8,000,000 of American securities to the Government, the matter is carried through with the utmost despatch. If it were possible for me to take an instantaneous poll of the staff, I am certain that they would wish me to express their very high appreciation of the kindly terms in which the vote has been proposed and seconded, and of the cordial manner in which you have received and adopted it. They would, I am equally sure, desire me, speaking for the staff, to say that in all our relations with the Company nothing has more closely touched our hearts than the thoughtful and generous consideration with which the directors, on your behalf, have treated those of our colleagues who have joined the Colours. I have received thousands of letters from members of our staff on active service, and have seen large numbers of the men who, in their short intervals of leave, have felt constrained to call at Holborn Bars to ask me to convey to our directors some expression of the gratitude to the Company with which their hearts are overflowing. The Chairman and others of the directors have seen those letters and many of the men, and I wish you could see both, for I am sure you would go away more than ever convinced that the action of the directors has been abundantly justified. It is especially in times of great emergency that the difference between lofty ideals and mere commercialism of administration is clearly exposed, and I am glad indeed to be able to tell you that the staff are tremendously proud of the Company and of the part it has taken in this unparalleled crisis in the affairs of the country.

HARRODS STORES.

THE Annual General Meeting of Harrods Stores, Ltd., was held on Tuesday, Sir Alfred J. Newton, Bart., the chairman, presiding.

The Chairman said: In the accounts now under consideration appears an item of £6,804 "Allowance to dependents of staff serving with H.M. Forces." From the commencement of the war we have in every way encouraged our young men to respond to the call of duty. We have, on your behalf, promised reinstatement as far as possible on their return to civil life. This we shall carry out, and, in fact, this policy has already been carried out in those cases which have already occurred, and we are fully satisfied that you will heartily approve this determination. Over 2,000 of our staff have responded to the call of King and country, and you will readily understand that the absence of such a large number of experienced workers has taxed the resources of the management. Our trading during the year ending 31 January 1915 was considerably helped by War Office contracts, which the energy and ability of our managers and buyers were able to secure. Indeed, if I remember aright, we received your congratulations upon this fact, and we believe our services were of some value to the authorities during a time of great pressure. Since then, the Government have decided to confine their orders to purely wholesale houses. If that has resulted in national economies we should be the last to complain as taxpayers, but as shareholders in Harrods we, of course, lose the advantage of those strictly reasonable profits which our resources and knowledge enabled us to secure for the house, while at the same time rendering assistance to the State. Everybody connected with the house—our customers, too—have done all in their power to aid the management to meet the exceptional stress of war time. Customers have assisted by carrying away small parcels instead of requiring delivery, and this help, trivial as it may sound, has really been very material, and is most gratefully acknowledged, and I hope that our customers will continue to extend this consideration to us in increasing measure in these very difficult times.

Referring to our holding in Dickins and Jones shares, the total dividend for the year 1914-15 amounted to £23,000. That year was only partly affected by the war, which had then run six months, whereas for the year 1915-16 (completed January 31 last), a full war year, the dividend will amount to £13,331. This is striking evidence from the financial point of view of the dire effects commercially of this devastating war. A house of the highest standing, such as Dickins and Jones, doing business principally with families of distinction, was bound to be seriously affected by the almost total suppression of all society functions, because it is at such gatherings that fashionable surroundings flourish, in the supply of which Messrs. Dickins and Jones have a world-wide reputation. The large decrease of £106,393 in our net profit is also in part accounted for by the fact that last year there was no "season" trade. The customary entertaining, not only in London, but throughout the country, was tabooed. This naturally meant a large reduction in outlay by our customers in various departments. Further, the constant upward trend in prices of all articles dealt in by the company made the carrying on of business peculiarly difficult. Advertised and catalogue prices cannot be immediately departed from or altered. Time must be given for notices of alteration. The pre-eminent quality of all goods sold by Harrods must at all cost be maintained, and your directors and management decided on the policy of adhering to our fixed moderate prices, as catalogued and advertised, as long as it was possible to do so, although the wholesale markets were constantly advancing against us. We have also had to contend against large and unavoidable increases in expenses. To give you but one example, the cost of transport and delivery has very largely increased; higher wages to motor drivers, packers, and porters, as well as increased cost of petrol, tires, and repairs, account for an increase of between £4,000 and £5,000 in this department alone. Again, stationery, packing paper, string and such like, of which very large quantities are used, have enormously increased in price. Now that the days are lengthening we return to the ordinary hours of business, keeping the stores open until 6 o'clock instead of 5 o'clock, as has been the practice for the past three months. We believe that during this season the arrangement of closing early on account of the darkened streets has been of great benefit to both customers and many of the staff, but there is no reason for a further continuance now that the evenings are getting lighter and the winter months are practically over. We regret that owing to increased railway and postal charges it is impossible to continue our policy of sending all goods carriage free irrespective of value. In future carriage will only be paid on parcels to the value of 10s. or over, except in the case of drapery goods, which will be sent carriage free irrespective of their value. It has been found necessary to bring this regulation into force as from 1 March, on account of the increased postal and railway rates, and we feel convinced that our customers will quite appreciate the necessity for this action.

Sir Richard Burbidge, Bart., the managing director, said that this was the first occasion in the twenty-five years of his association with the company on which the trading profits had shown a decrease. It was due entirely to the war, but he had hoped that they would surmount the difficulties which they could foresee. It was impossible to judge by the balance-sheet of the good which the company was doing to the country. They had spent large sums and given a great deal of help to such institutions as Queen Alexandra's Field Force Fund, King Albert's Civilian Fund, etc. For the current year he was very optimistic.

LEGAL & GENERAL

LIFE ASSURANCE SOCIETY.

79th Annual Report, 1915.

NEW BUSINESS	...	...	...	...	...	...	...	£1,679,288
NEW PREMIUMS	...	...	...	...	...	...	...	£102,920
ASSETS exceeded	...	...	...	...	...	...	...	£11,000,000
ANNUAL REVENUE	...	...	...	...	...	...	...	£1,390,000

The Average rate of interest earned was **£4 10s. 6d.** per cent. The Valuation Rate of Interest is now Reduced to **£2 10s.** per cent. O^M Table of Mortality.

The Business in force now exceeds **£34,009,943 sterling.**

ANNUITIES.

Rates recently revised.

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Policies which give maximum insurance at minimum cost.

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